

PATTERSON UTI ENERGY INC

Form S-4

January 23, 2017

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As filed with the Securities and Exchange Commission on January 23, 2017

Registration No. 333-

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

Form S-4  
REGISTRATION STATEMENT  
*UNDER*  
*THE SECURITIES ACT OF 1933*

**PATTERSON-UTI ENERGY, INC.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

1381  
(Primary Standard Industrial  
Classification Code Number)

75-2504748  
(IRS Employer  
Identification No.)

**10713 West Sam Houston Parkway North, Suite 800**

**Houston, Texas 77064**

**(281) 765-7100**

**(Address, including ZIP code, and telephone number, including area code, of registrant's principal executive offices)**

**Seth D. Wexler**

**General Counsel and Secretary**

**Patterson-UTI Energy, Inc.**

**10713 West Sam Houston Parkway North, Suite 800**

**Houston, Texas 77064**

**(281) 765-7100**

**(Name, address, including ZIP code, and telephone number, including area code, of agent for service)**

*With Copies to:*

**David A. Katz**

**David Treadwell**

**Stephen M. Gill**

**David K. Lam  
Wachtell, Lipton, Rosen & Katz**

**Seventy Seven Energy Inc.**

**Douglas E. McWilliams**

**51 West 52nd Street**

**777 N.W. 63rd Street**

**Vinson & Elkins LLP**

**New York, New York 10019**

**Oklahoma City, Oklahoma 73116**

**1001 Fannin Street, Suite 2500**

**(212) 403-1000**

**(405) 608-7777**

**Houston, Texas 77002**

**(713) 758-2222**

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after this Registration Statement becomes effective and upon completion of the transactions described in the enclosed joint proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$.01 per share	49,559,000(1)	N/A	\$1,321,115,481(2)	\$153,117.28(3)

(1) Represents the estimated maximum number of Registrant's shares to be issued pursuant to the merger agreement described herein.

- (2) Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act and calculated pursuant to Rules 457(f)(1) and 457(c) under the Securities Act. The proposed maximum aggregate offering price of the Registrant's common shares was calculated based upon the market value of shares of Seventy Seven Energy Inc. common stock (the securities to be cancelled in the merger) in accordance with Rule 457(c) under the Securities Act as follows: the product of (x) \$47.25, the average of the bid and asked prices per share of Seventy Seven Energy Inc. common stock on January 20, 2017 as quoted on the OTC Market Group Inc.'s OTC Grey market, multiplied by (y) 27,960,116, the maximum number of shares of Seventy Seven Energy Inc. common stock to be exchanged in the merger.
- (3) Determined in accordance with Section 6(b) of the Securities Act at a rate equal to \$115.90 per \$1,000,000 of the proposed maximum aggregate offering price.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such dates as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this joint proxy statement/prospectus is not complete and may be changed. We may not distribute the Patterson-UTI Energy, Inc. common stock being registered pursuant to this joint proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus does not constitute an offer to distribute or a solicitation of an offer to receive any securities in any jurisdiction where an offer or solicitation is not permitted.**

**PRELIMINARY SUBJECT TO COMPLETION DATED JANUARY 23, 2017**

**JOINT PROXY STATEMENT/ PROSPECTUS**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

The board of directors of Patterson-UTI Energy, Inc. ( Patterson-UTI ) and the board of directors of Seventy Seven Energy Inc. ( SSE ) have each approved an Agreement and Plan of Merger (which, as it may be amended from time to time, is referred to as the merger agreement ) that provides for the combination of SSE and Patterson-UTI. Pursuant to the terms of the merger agreement, a wholly owned subsidiary of Patterson-UTI will merge with and into SSE (the merger ), with SSE surviving the merger as a wholly owned subsidiary of Patterson-UTI.

If the merger is completed, each share of SSE common stock, par value \$0.01 per share, issued and outstanding immediately prior to the effective time of the merger (other than certain shares specified in the merger agreement), will be converted into the right to receive a number of shares of Patterson-UTI common stock, par value \$0.01 per share, equal to the exchange ratio. The exchange ratio will be equal to 49,559,000 shares of Patterson-UTI common stock, divided by the total number of shares of SSE common stock outstanding or deemed outstanding immediately prior to the effective time of the merger (which includes, among other things, (i) shares of SSE common stock outstanding as a result of the exercise of warrants to acquire SSE common stock, (ii) shares of SSE common stock deemed outstanding as a result of the vesting of SSE restricted stock unit awards that existed prior to the execution of the merger agreement, (iii) shares of SSE common stock subject to perfected appraisal rights, (iv) shares of SSE common stock that underlie restricted stock unit awards that SSE issues on or after the execution of the merger agreement and (v) 50% of any shares of SSE common stock that have been tendered to SSE on or after August 1, 2016 for the purposes of satisfying tax withholding obligations upon the vesting of SSE restricted stock unit awards); *provided* that, in the event that any Series A warrants to acquire SSE common stock are forfeited or net settled, such 49,559,000 shares of Patterson-UTI common stock will be reduced by a number equal to (i) the aggregate exercise price for the warrants that are forfeited or net settled, divided by (ii) the volume weighted average price of a share of Patterson-UTI common stock for the ten consecutive trading days immediately preceding the third business day prior to the closing of the merger. In no event will Patterson-UTI issue more than 49,559,000 shares of its common stock as merger consideration. Annex B to this joint proxy statement/prospectus sets forth illustrative calculations of the exchange ratio. Based on the closing price of Patterson-UTI common stock on the Nasdaq Global

Select Market (the NASDAQ ) on December 12, 2016, the last trading day before public announcement of the merger, the aggregate transaction value of the merger consideration payable to SSE stockholders was approximately \$1.42 billion, assuming the issuance of 49,559,000 shares of Patterson-UTI common stock.

Shares of Patterson-UTI common stock outstanding before the merger is completed will remain outstanding and will not be exchanged, converted or otherwise changed in the merger. Patterson-UTI common stock is currently traded on the NASDAQ, under the symbol PTEN . **We urge you to obtain current market quotations of Patterson-UTI common stock.** SSE common stock is not currently traded on a national securities exchange.

We intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code ). Accordingly, SSE stockholders generally are not expected to recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of SSE common stock for shares of Patterson-UTI common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Patterson-UTI common stock.

Based on the estimated number of shares of Patterson-UTI and SSE common stock that will be outstanding immediately prior to the closing of the merger and assuming that each holder of an SSE Series A warrant exercises their warrants for cash, we estimate that, upon such closing, former SSE stockholders will own up to approximately 25% of the combined company following the merger.

At a special meeting of SSE stockholders, SSE stockholders will be asked to vote on a proposal to adopt the merger agreement. Approval of this proposal requires the affirmative vote of a majority of the outstanding shares of SSE common stock entitled to vote thereon. At the special meeting, SSE stockholders will also be asked to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE s named executive officers in connection with the merger.

In connection with the execution of the merger agreement, certain affiliates of Axar Capital Management, LLC ( Axar ), BlueMountain Capital Management, LLC ( BlueMountain ) and Mudrick Capital Management, L.P. ( Mudrick ) entered into voting and support agreements with Patterson-UTI, pursuant to which each such stockholder agreed to vote all of its shares of SSE common stock in favor of the adoption of the merger agreement and against, among other things, alternative transactions. As of the date of this joint proxy statement/prospectus, those stockholders hold and are entitled to vote in the aggregate approximately 59% of the issued and outstanding shares of SSE common stock entitled to vote at the SSE special meeting. In the event that SSE s board of directors changes its recommendation that SSE stockholders adopt the merger agreement, such stockholders, taken together, will be required to vote shares that, in the aggregate, represent 39.99% of the issued and outstanding shares of SSE common stock on such proposal, with each such stockholder being able to vote the balance of its shares of SSE common stock on such proposal in such stockholder s sole discretion. See The Merger Agreement Voting and Support Agreements beginning on page 144 for more information.

At a special meeting of Patterson-UTI stockholders, Patterson-UTI stockholders will be asked to vote on the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger. Approval of this proposal requires the affirmative vote of a majority of the shares of Patterson-UTI common stock, present in person or represented by proxy at the Patterson-UTI special meeting and entitled to vote thereon, assuming a quorum is present.

**The SSE board of directors unanimously recommends that the SSE stockholders vote FOR the proposal to adopt the merger agreement, FOR the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to SSE s named executive officers in connection with the merger and FOR the proposal to approve the adjournment of the SSE special meeting, if necessary or appropriate, to permit further solicitation of proxies.**

**The Patterson-UTI board of directors unanimously recommends that the Patterson-UTI stockholders vote FOR the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger and FOR the proposal to approve the adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to permit further solicitation of proxies.**

**The obligations of Patterson-UTI and SSE to complete the merger are subject to the satisfaction or waiver of several conditions set forth in the merger agreement. The accompanying joint proxy statement/prospectus contains detailed information about Patterson-UTI, SSE, the special meetings, the merger agreement and the merger. Patterson-UTI and SSE encourage you to read the joint proxy statement/prospectus carefully and in its entirety before voting, including the section titled Risk Factors beginning on page 35.**

We look forward to the successful combination of Patterson-UTI and SSE.

Sincerely,

William A. Hendricks, Jr.

Jerry Winchester

President and Chief Executive Officer

President and Chief Executive Officer

Patterson-UTI Energy, Inc.

Seventy Seven Energy Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the joint proxy statement/prospectus or determined if the joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The joint proxy statement/prospectus is dated \_\_\_\_\_, 2017 and is first being mailed to Patterson-UTI stockholders and SSE stockholders on or about \_\_\_\_\_, 2017.



Completion of the merger is conditioned on approval of the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger. Approval of the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger requires the affirmative vote of the holders of the shares of Patterson-UTI common stock, present in person or represented by proxy at the Patterson-UTI special meeting and entitled to vote thereon, assuming a quorum is present.

**The Patterson-UTI board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement (including the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger) to be advisable**

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and fair to and in the best interests of Patterson-UTI stockholders. The Patterson-UTI board of directors unanimously recommends that Patterson-UTI stockholders vote **FOR** the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger and **FOR** the proposal to approve the adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to permit further solicitation of proxies.

**Your vote is very important regardless of the number of shares that you own. Whether or not you expect to attend the Patterson-UTI special meeting in person, to ensure your representation at the Patterson-UTI special meeting, we urge you to submit a proxy to vote your shares as promptly as possible by (i) accessing the internet site listed on the Patterson-UTI proxy card, (ii) calling the toll-free number listed on the Patterson-UTI proxy card or (iii) submitting your Patterson-UTI proxy card by mail by using the provided self-addressed, stamped envelope.** Submitting a proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any eligible holder of Patterson-UTI common stock who is present at the Patterson-UTI special meeting may vote in person, thereby canceling any previous proxy. In any event, a proxy may be revoked at any time before the Patterson-UTI special meeting in the manner described in the accompanying joint proxy statement/prospectus. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished by such bank, broker or other nominee.

The enclosed joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement and the other matters to be considered at the Patterson-UTI special meeting. We urge you to read carefully the joint proxy statement/prospectus including any documents incorporated by reference and the Annexes in their entirety. If you have any questions concerning the merger or the joint proxy statement/prospectus or if you would like additional copies or need help voting your shares of Patterson-UTI common stock please contact Patterson-UTI's proxy solicitor:

**Georgeson LLC**

**1290 Avenue of the Americas, 9<sup>th</sup> Floor**

**New York, New York 10104**

**(800) 891-3214**

By Order of the Patterson-UTI Board of Directors,

Seth D. Wexler

General Counsel and Secretary

Houston, Texas

, 2017

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**Seventy Seven Energy Inc.**

**777 N.W. 63rd Street**

**Oklahoma City, Oklahoma 73116**

**(405) 608-7777**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To Be Held On \_\_\_\_\_, 2017**

To the Stockholders of Seventy Seven Energy Inc.:

We are pleased to invite you to attend the special meeting of stockholders of Seventy Seven Energy Inc., a Delaware corporation ( SSE ), which will be held at SSE s executive offices at 777 N.W. 63rd Street, Oklahoma City, Oklahoma 73116, on \_\_\_\_\_, 2017, at \_\_\_\_\_, local time, for the following purposes:

to vote on a proposal to adopt the Agreement and Plan of Merger, dated as of December 12, 2016, by and among Patterson-UTI Energy, Inc., a Delaware corporation ( Patterson-UTI ), SSE and Pyramid Merger Sub, Inc., a wholly owned subsidiary of Patterson-UTI ( Merger Sub ), as that agreement may be amended from time to time (the merger agreement ), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part;

to vote on a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE s named executive officers in connection with the merger; and

to vote on a proposal to approve the adjournment of the SSE special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

SSE will transact no other business at the special meeting except such business as may properly be brought before the SSE special meeting or any adjournment or postponement thereof by or at the direction of the SSE board of directors. References to the SSE special meeting in this joint proxy statement/prospectus are to such special meeting as adjourned or postponed. Please refer to the joint proxy statement/prospectus of which this notice is a part for further information with respect to the business to be transacted at the SSE special meeting.

The SSE board of directors has fixed the close of business on \_\_\_\_\_, 2017 as the record date for the SSE special meeting. Only SSE stockholders of record at that time are entitled to receive notice of, and to vote at, the SSE special meeting. A complete list of such stockholders will be available for inspection by any SSE stockholder for any purpose germane to the special meeting during ordinary business hours for the ten days preceding the SSE special meeting at SSE s offices at the address on this notice. The eligible SSE stockholder list will also be available at the SSE special

meeting for examination by any stockholder present at such meeting.

In connection with the execution of the merger agreement, certain affiliates of Axar Capital Management, LLC, BlueMountain Capital Management, LLC and Mudrick Capital Management, L.P., entered into voting and support agreements with Patterson-UTI, pursuant to which each such stockholder agreed to vote all of its shares of SSE common stock in favor of the adoption of the merger agreement and against, among other things, alternative transactions. As of the date of this joint proxy statement/prospectus, those stockholders hold and are entitled to vote in the aggregate approximately 59% of the issued and outstanding shares of SSE common stock entitled to vote at the SSE special meeting. In the event that SSE's board of directors changes its recommendation that SSE stockholders adopt the merger agreement, such stockholders, taken together, will be required to vote shares that, in the aggregate, represent 39.99% of the issued and outstanding shares of SSE common stock on such proposal, with each such stockholder being able to vote the balance of its shares of SSE common stock on such proposal in such stockholder's sole discretion. See The Merger Agreement Voting and Support Agreements beginning on page 144 for more information.

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Completion of the merger is conditioned on approval and adoption of the merger agreement and the transactions contemplated by the merger agreement, including the merger, by the SSE stockholders, which requires the affirmative vote of a majority of the outstanding shares of SSE common stock entitled to vote thereon.

The proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger is a vote separate and apart from the vote on the proposal to adopt the merger agreement. Accordingly, a SSE stockholder may vote to approve one proposal and not the other. Because the vote on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger is advisory in nature only, it will not be binding on SSE or Patterson-UTI, and the approval of that proposal is not a condition to the completion of the merger.

**The SSE board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement to be advisable and fair to and in the best interests of SSE stockholders. The SSE board of directors unanimously recommends that SSE stockholders vote FOR the proposal to adopt the merger agreement, FOR the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger and FOR the proposal to approve the adjournment of the SSE special meeting, if necessary or appropriate, to permit further solicitation of proxies.**

**Your vote is very important regardless of the number of shares that you own. Whether or not you expect to attend the SSE special meeting in person, to ensure your representation at the SSE special meeting, we urge you to submit a proxy to vote your shares as promptly as possible by (i) accessing the internet site listed on the SSE proxy card, (ii) calling the toll-free number listed on the SSE proxy card or (iii) submitting your SSE proxy card by mail by using the provided self-addressed, stamped envelope.** Submitting a proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any eligible holder of SSE common stock who is present at the SSE special meeting may vote in person, thereby canceling any previous proxy. In any event, a proxy may be revoked at any time before the SSE special meeting in the manner described in the accompanying joint proxy statement/prospectus. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished by such bank, broker or other nominee.

The enclosed joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement and the other matters to be considered at the SSE special meeting. We urge you to read carefully the joint proxy statement/prospectus including any documents incorporated by reference and the Annexes in their entirety. If you have any questions concerning the merger or the joint proxy statement/prospectus or if you would like additional copies or need help voting your shares of SSE common stock please contact:

**Seventy Seven Energy Inc.**

**777 NW 63rd Street**

**Oklahoma City, Oklahoma 73116**

**(405) 608-7777**

**Attn: Investor Relations**

By Order of the SSE Board of Directors,

David C. Treadwell

Senior Vice President, General Counsel and

Secretary

Oklahoma City, Oklahoma

, 2017

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**ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates important business and financial information about Patterson-UTI from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement/prospectus free of charge by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

**Investors may also consult Patterson-UTI's or SSE's website for more information about Patterson-UTI or SSE, respectively. Patterson-UTI's website is <http://patenergy.com/>. SSE's website is <http://www.77nrg.com/>. Information included on these websites is not incorporated by reference into this joint proxy statement/prospectus.**

**If you would like to request any documents, please do so by \_\_\_\_\_, 2017 in order to receive them before the special meetings. If you request any documents, Patterson-UTI or SSE will mail them to you by first class mail, or another equally prompt means, after receipt of your request.**

For a more detailed description of the information incorporated by reference in this joint proxy statement/prospectus and how you may obtain it, see "Where You Can Find More Information" beginning on page 250.

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**ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS**

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (the SEC) by Patterson-UTI, constitutes a prospectus of Patterson-UTI under the Securities Act of 1933, as amended (the Securities Act), with respect to the shares of Patterson-UTI common stock to be issued to SSE stockholders in connection with the merger. This joint proxy statement/prospectus also constitutes a joint proxy statement for both Patterson-UTI and SSE under the Securities Exchange Act of 1934, as amended (the Exchange Act). It also constitutes a notice of meeting with respect to the special meeting of Patterson-UTI stockholders and a notice of meeting with respect to the special meeting of SSE stockholders.

You should rely only on the information contained in or incorporated by reference into this joint proxy statement/prospectus. Neither Patterson-UTI nor SSE has authorized anyone to give any information or make any representation about the merger, Patterson-UTI or SSE that is different from, or in addition to, that contained in this joint proxy statement/prospectus or in any of the materials that have been incorporated by reference into this joint proxy statement/prospectus. Therefore, if anyone distributes this type of information, you should not rely on it. This joint proxy statement/prospectus is dated [redacted], 2017. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this joint proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither our mailing of this joint proxy statement/prospectus to Patterson-UTI stockholders or SSE stockholders nor the issuance by Patterson-UTI of shares of common stock pursuant to the merger agreement will create any implication to the contrary.

**This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this joint proxy statement/prospectus regarding Patterson-UTI has been provided by Patterson-UTI and information contained in this joint proxy statement/prospectus regarding SSE has been provided by SSE.**

All references in this joint proxy statement/prospectus to Patterson-UTI refer to Patterson-UTI Energy, Inc., a Delaware corporation; all references in this joint proxy statement/prospectus to Merger Sub refer to Pyramid Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Patterson-UTI formed for the sole purpose of effecting the merger; all references in this joint proxy statement/prospectus to SSE refer to Seventy Seven Energy Inc., a Delaware corporation; unless otherwise indicated or as the context requires, all references in this joint proxy statement/prospectus to we, our and us refer to Patterson-UTI and SSE collectively unless otherwise indicated herein; and, unless otherwise indicated or as the context requires, all references to the merger agreement refer to the Agreement and Plan of Merger, dated as of December 12, 2016, by and among Patterson-UTI Energy, Inc., Pyramid Merger Sub, Inc. and Seventy Seven Energy Inc., which is incorporated by reference into this joint proxy statement/prospectus and a copy of which is included as Annex A to this joint proxy statement/prospectus. Patterson-UTI and SSE, subject to and following completion of the merger, are sometimes referred to in this joint proxy statement/prospectus as the combined company.

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**QUESTIONS AND ANSWERS**

*The following are some questions that you, as a Patterson-UTI stockholder or a SSE stockholder, may have regarding the merger and the other matters being considered at the special meetings, as well as the answers to those questions. Patterson-UTI and SSE urge you to read carefully the remainder of this joint proxy statement/prospectus including any documents incorporated by reference and the Annexes in their entirety because the information in this section does not provide all of the information that might be important to you with respect to the merger agreement, the merger and the other matters being considered at the special meetings. See *Where You Can Find More Information* beginning on page 250.*

**Q: Why am I receiving this joint proxy statement/prospectus?**

A: Patterson-UTI and SSE have agreed to a business combination pursuant to the terms of the merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement is included in this joint proxy statement/prospectus as Annex A.

In order to complete the merger, among other conditions:

Patterson-UTI stockholders must approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger; and

SSE stockholders must adopt the merger agreement.

Patterson-UTI and SSE will hold separate special meetings of their stockholders to obtain these approvals. This joint proxy statement/prospectus, including its Annexes, contains and, with respect to Patterson-UTI, incorporates by reference, important information about Patterson-UTI and SSE, the merger and the stockholder meetings of Patterson-UTI and SSE. You should read all of the available information carefully and in its entirety. See *Where You Can Find More Information* beginning on page 250.

**Q: What effect will the merger have?**

A: Patterson-UTI and SSE have entered into the merger agreement pursuant to which SSE will become a wholly owned subsidiary of Patterson-UTI and SSE stockholders will become stockholders of Patterson-UTI. Following the merger, the stockholders of Patterson-UTI and SSE will be the stockholders of the combined company.

**Q: What will I receive in the merger?**

A:

*Patterson-UTI Stockholders:* Regardless of whether the merger is completed, Patterson-UTI stockholders will retain the Patterson-UTI common stock that they currently own. They will not receive any merger consideration, and they will not receive any additional shares of Patterson-UTI common stock in the merger.

*SSE Stockholders:* If the merger is completed, SSE stockholders will receive a number of shares of Patterson-UTI common stock for each share of SSE common stock that they hold immediately prior to the effective time of the merger (the effective time ) equal to the exchange ratio. The exchange ratio will be equal to 49,559,000 shares of Patterson-UTI common stock, divided by the total number of shares of SSE common stock outstanding or deemed outstanding immediately prior to the effective time (which includes (i) shares of SSE common stock outstanding as a result of the exercise of warrants to acquire SSE common stock, (ii) shares of SSE common stock deemed outstanding as a result of the vesting of SSE restricted stock unit awards that existed prior to the execution of the merger agreement, (iii) any shares of SSE common stock subject to perfected appraisal rights, (iv) shares of SSE common stock that underlie restricted stock unit awards that SSE issues on or after the execution of the merger agreement and (v) 50% of any shares of SSE common stock that have been tendered to SSE on or after August 1, 2016 for the purposes of satisfying

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tax withholding obligations upon the vesting of SSE restricted stock unit awards); *provided*, that in the event that any Series A warrants to acquire SSE common stock are forfeited or net settled, such 49,559,000 shares of Patterson-UTI common stock will be reduced by a number equal to (i) the aggregate exercise price for the warrants that are forfeited or net settled, divided by (ii) the volume weighted average price of a share of Patterson-UTI common stock for the ten consecutive trading days immediately preceding the third business day prior to the closing of the merger. In no event will Patterson-UTI issue more than 49,559,000 shares of its common stock as merger consideration. Annex B to this joint proxy statement/prospectus sets forth illustrative calculations of the exchange ratio.

SSE stockholders will not receive any fractional shares of Patterson-UTI common stock in the merger. Instead, Patterson-UTI will pay cash (without interest) in lieu of any fractional shares of Patterson-UTI common stock that a SSE stockholder would otherwise have been entitled to receive. SSE stockholders will also be entitled to any dividends declared and paid by Patterson-UTI with a record date at or after the effective time.

### **Q: If I am an SSE stockholder, how will I receive the merger consideration to which I am entitled?**

A: A letter of transmittal and instructions for the surrender of SSE common stock certificates, or in the case of book entry shares, the surrender of such shares, will be mailed to SSE stockholders shortly after the completion of the merger. After receiving proper documentation from you, the exchange agent will forward to you the Patterson-UTI common stock and cash in lieu of fractional shares to which you are entitled. See *The Merger Agreement Exchange of Shares in the Merger* beginning on page 122.

### **Q: What is the value of the merger consideration?**

A: Because Patterson-UTI will issue shares of Patterson-UTI common stock in exchange for each share of SSE common stock outstanding immediately prior to such exchange, the value of the merger consideration that SSE stockholders receive will depend on the price per share of Patterson-UTI common stock at the effective time. That price will not be known at the time of the special meetings and may be greater or less than the current price or the price at the time of the special meetings. We urge you to obtain current market quotations of Patterson-UTI common stock. See *Risk Factors* beginning on page 35.

In addition, the value of the merger consideration is dependent upon the exchange ratio. The exchange ratio will be 1.7725 if all outstanding Series A warrants of SSE are exercised for cash, no other warrants are exercised, no other shares of SSE are issued prior to closing and certain other assumptions set forth in *Example 1* of Annex B of this joint proxy statement/prospectus. The exchange ratio will be reduced if holders of Series A warrants of SSE fail to exercise their warrants by tendering the cash exercise price, either by forfeiting the warrants or by net share settling such warrants. The exchange ratio will also be reduced if Series B or Series C warrants of SSE all of which are presently out-of-the-money nevertheless exercise their warrants. The exchange ratio will further be reduced by any additional restricted stock unit awards granted by SSE for retention purposes, which will not exceed 300,000 restricted stock units in the aggregate. As of January 20, 2017, SSE has granted 283,814 restricted stock units since the execution of the merger agreement.

**Q: When and where will the special meetings be held?**

A: *Patterson-UTI Stockholders:* The special meeting of Patterson-UTI stockholders will be held at Patterson-UTI's executive offices at 10713 West Sam Houston Parkway North, Suite 800, Houston, Texas 77064, on \_\_\_\_\_, 2017, at \_\_\_\_\_, local time.

*SSE Stockholders:* The special meeting of SSE stockholders will be held at SSE's executive offices at 777 N.W. 63rd Street, Oklahoma City, Oklahoma 73116, on \_\_\_\_\_, 2017, at \_\_\_\_\_, local time.

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**Q: Who is entitled to vote at the special meetings?**

A: *Patterson-UTI Stockholders*: The record date for the Patterson-UTI special meeting is \_\_\_\_\_, 2017. Only record holders of shares of Patterson-UTI common stock at the close of business on such date are entitled to notice of, and to vote at, the Patterson-UTI special meeting.

*SSE Stockholders*: The record date for the SSE special meeting is \_\_\_\_\_, 2017. Only record holders of shares of SSE common stock at the close of business on such date are entitled to notice of, and to vote at, the SSE special meeting.

**Q: What constitutes a quorum at the special meetings?**

A: *Patterson-UTI Stockholders*: Stockholders who hold shares representing at least a majority of the voting power of all outstanding shares of common stock entitled to vote at the Patterson-UTI special meeting must be present in person or represented by proxy to constitute a quorum. All shares of Patterson-UTI common stock represented at the Patterson-UTI special meeting, including shares that are represented but that abstain from voting on one or more proposals, will be treated as present for purposes of determining the presence or absence of a quorum. Broker non-votes (if any) will not be treated as present for purposes of determining the presence or absence of a quorum.

*SSE Stockholders*: Stockholders who hold shares representing at least a majority of the voting power of all outstanding shares of common stock entitled to vote at the SSE special meeting must be present in person or represented by proxy to constitute a quorum. All shares of SSE common stock represented at the SSE special meeting, including shares that are represented but that abstain from voting on one or more proposals, will be treated as present for purposes of determining the presence or absence of a quorum. Broker non-votes (if any) will not be treated as present for purposes of determining the presence or absence of a quorum.

Additional information on the quorum requirements can be found under the heading **Quorum** on page 60 with respect to Patterson-UTI and on page 65 with respect to SSE.

**Q: How do I vote if I am a stockholder of record?**

A: *Patterson-UTI Stockholders*: If you were a record holder of Patterson-UTI common stock at the close of business on the record date for the Patterson-UTI special meeting, you may vote in person by attending the Patterson-UTI special meeting or, to ensure that your shares are represented at the Patterson-UTI special meeting, you may authorize a proxy to vote by:

accessing the internet site listed on the Patterson-UTI proxy card and following the instructions provided on that site anytime up to \_\_\_\_\_, eastern time, on \_\_\_\_\_, 2017;

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calling the toll-free number listed on the Patterson-UTI proxy card and following the instructions provided in the recorded message anytime up to \_\_\_\_\_, eastern time, on \_\_\_\_\_, 2017; or

submitting your Patterson-UTI proxy card by mail by using the provided self-addressed, stamped envelope. If you hold shares of Patterson-UTI common stock in \_\_\_\_\_ street name through a bank, broker or other nominee, please follow the voting instructions provided by your bank, broker or other nominee to ensure that your shares are represented at the Patterson-UTI special meeting.

*SSE Stockholders:* If you were a record holder of SSE common stock at the close of business on the record date for the SSE special meeting, you may vote in person by attending the SSE special meeting or, to ensure that your shares are represented at the SSE special meeting, you may authorize a proxy to vote by:

accessing the internet site listed on the SSE proxy card and following the instructions provided on that site at any time up to \_\_\_\_\_ p.m., eastern time, on \_\_\_\_\_, 2017;

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calling the toll-free number listed on the SSE proxy card and following the instructions provided in the recorded message at any time up to \_\_\_\_\_ p.m., eastern time, on \_\_\_\_\_, 2017; or

submitting your SSE proxy card by mail by using the provided self-addressed, stamped envelope. If you hold shares of SSE common stock in \_\_\_\_\_ street name through a bank, broker or other nominee, please follow the voting instructions provided by your bank, broker or other nominee to ensure that your shares are represented at the SSE special meeting.

**Q: How many votes do I have?**

A: *Patterson-UTI Stockholders:* With respect to each proposal to be presented at the Patterson-UTI special meeting, holders of Patterson-UTI common stock as of the Patterson-UTI record date are entitled to one vote for each share of Patterson-UTI common stock owned at the close of business on the Patterson-UTI record date. At the close of business on the Patterson-UTI record date, there were \_\_\_\_\_ shares of Patterson-UTI common stock outstanding and entitled to vote at the Patterson-UTI special meeting.

*SSE Stockholders:* With respect to each proposal to be presented at the SSE special meeting, holders of SSE common stock as of the SSE record date are entitled to one vote for each share of SSE common stock owned at the close of business on the SSE record date. At the close of business on the SSE record date, there were \_\_\_\_\_ shares of SSE common stock outstanding and entitled to vote at the SSE special meeting.

**Q: Who will serve on the Patterson-UTI board of directors following the completion of the merger?**

A: Following the completion of the merger, it is anticipated that the Patterson-UTI board of directors will have seven members, consisting of the seven individuals currently serving on the Patterson-UTI board of directors as of the date of this joint proxy statement/prospectus.

**Q: Who will serve as executive management of Patterson-UTI following the completion of the merger?**

A: Following the completion of the merger, it is anticipated that each of the Patterson-UTI executive officers will continue to serve in their current positions and under the same compensation plans and arrangements that were in place prior to the merger:

Mark S. Siegel	Executive Chairman
William Andrew Hendricks, Jr.	President and Chief Executive Officer
John E. Vollmer III	Senior Vice President Corporate Development, Chief Financial Officer and Treasurer
Kenneth N. Berns	Senior Vice President
Seth D. Wexler	General Counsel and Secretary

James M. Holcomb

President Patterson-UTI Drilling Company LLC

**Q: What vote is required to approve each proposal?**

A: *Patterson-UTI Stockholders*: The approval of the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger requires the affirmative vote of a majority of the shares of Patterson-UTI common stock, present in person or represented by proxy at the Patterson-UTI special meeting and entitled to vote thereon, assuming a quorum is present. Assuming a quorum is present, shares that are not present in person or by proxy and broker non-votes (if any) will have no effect on the vote for this proposal; however, abstentions will have the same effect as a vote AGAINST the approval of such proposal.

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The adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the shares of Patterson-UTI common stock, present in person or represented by proxy at the Patterson-UTI special meeting and entitled to vote thereon, regardless of whether there is a quorum. Assuming a quorum is present, shares that are not present in person or by proxy and broker non-votes (if any) will have no effect on the vote for this proposal; however, abstentions will have the same effect as a vote AGAINST the approval of such proposal.

*SSE Stockholders:* The approval and adoption of the merger agreement and the transactions contemplated by the merger agreement, including the merger, requires the affirmative vote of a majority of the outstanding shares of SSE common stock entitled to vote thereon. Assuming a quorum is present, failures to vote, broker non-votes (if any) and abstentions will have the same effect as a vote AGAINST the approval of such proposal.

The approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger requires the affirmative vote of a majority of the voting power of the outstanding shares present in person or represented by proxy at the meeting and entitled to vote thereon, assuming a quorum is present. Assuming a quorum is present, shares that are not present in person or by proxy and broker non-votes (if any) will have no effect on the vote for this proposal; however, abstentions will have the same effect as a vote AGAINST the approval of such proposal.

The adjournment of the SSE special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the voting power of the outstanding shares present in person or represented by proxy at the meeting and entitled to vote thereon, regardless of whether there is a quorum. Assuming a quorum is present, shares that are not present in person or by proxy and broker non-votes (if any) will have no effect on the vote for this proposal; however, abstentions will have the same effect as a vote AGAINST the approval of such proposal.

### **Q: How does the Patterson-UTI board of directors recommend that Patterson-UTI stockholders vote?**

A: The Patterson-UTI board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement (including the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger) to be advisable and fair to and in the best interests of Patterson-UTI stockholders. Accordingly, the Patterson-UTI board of directors unanimously recommends that Patterson-UTI stockholders vote FOR the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger and FOR the proposal to approve the adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to permit further solicitation of proxies.

### **Q: How does the SSE board of directors recommend that SSE stockholders vote?**

A: The SSE board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement to be advisable and fair to and in the best interests of SSE stockholders. Accordingly, the SSE board of directors unanimously recommends that SSE stockholders vote FOR the proposal to adopt the merger agreement, FOR the proposal to approve, on an advisory (non-binding) basis, the

compensation that may be paid or become payable to SSE's named executive officers in connection with the merger and FOR the proposal to approve the adjournment of the SSE special meeting, if necessary or appropriate, to permit further solicitation of proxies.

**Q: My shares are held in street name by my bank, broker or other nominee. Will my bank, broker or other nominee automatically vote my shares for me?**

A: No. If your shares are held through a bank, broker or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. The record holder of such shares is

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your bank, broker or other nominee, and not you. If this is the case, this joint proxy statement/prospectus has been forwarded to you by your bank, broker or other nominee. You must provide the record holder of your shares with instructions on how to vote your shares. Otherwise, your bank, broker or other nominee may not vote your shares on any of the proposals to be considered at the Patterson-UTI special meeting or the SSE special meeting, as applicable, and a broker non-vote will result.

Under the current Rules of the Nasdaq Global Select Market (the "NASDAQ"), banks, brokers or other nominees do not have discretionary authority to vote on any of the proposals at the Patterson-UTI special meeting. Because the only proposals for consideration at the Patterson-UTI special meeting are non-discretionary proposals, it is not expected that there will be any broker non-votes at such meeting. However, if there are any broker non-votes, they will have no effect on (i) the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger (assuming a quorum is present) or (ii) the proposal to approve the adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Because the only proposals for consideration at the SSE special meeting are nondiscretionary proposals, it is not expected that there will be any broker non-votes at such meeting. However, if there are any broker non-votes, they will have (i) the same effect as a vote "AGAINST" the proposal to adopt the merger agreement, (ii) no effect on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger and (iii) no effect on the proposal to approve the adjournment of the SSE special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Please follow the voting instructions provided by your bank, broker or other nominee so that it may vote your shares on your behalf. Please note that you may not vote shares held in street name by returning a proxy card directly to Patterson-UTI or SSE or by voting in person at the special meeting unless you first obtain a legal proxy from your bank, broker or other nominee.

**Q: What will happen if I fail to vote or I abstain from voting?**

*A: Patterson-UTI Stockholders:* Assuming a quorum is present, if you fail to attend the Patterson-UTI special meeting in person and do not vote by proxy, it will not have any effect on the vote for the proposals; however, if you attend the Patterson-UTI special meeting and abstain or mark your proxy or voting instructions to abstain, it will have the same effect as a vote "AGAINST" (i) the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger, and (ii) the proposal to approve the adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to permit further solicitation of proxies.

*SSE Stockholders:* Assuming a quorum is present, if you fail to attend the SSE special meeting in person and do not vote by proxy, it will have (i) the same effect as a vote "AGAINST" the proposal to adopt the merger agreement, (ii) no effect on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger and (iii) no effect on the proposal to approve the adjournment of the SSE special meeting, if necessary or appropriate, to permit further solicitation of proxies.

If you attend the SSE special meeting and abstain or mark your proxy or voting instructions to abstain, it will have the same effect as a vote "AGAINST" (i) the proposal to adopt the merger agreement, (ii) the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers based on or otherwise related to the proposed transactions and (iii) the proposal to approve the adjournment of the SSE special meeting, if necessary or appropriate, to permit further solicitation of proxies.

**Q: What will happen if I return my proxy card without indicating how to vote?**

A: *Patterson-UTI Stockholders*: If you properly complete and sign your proxy card but do not indicate how your shares of Patterson-UTI common stock should be voted on a proposal, the shares of Patterson-UTI

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common stock represented by your proxy will be voted as the Patterson-UTI board of directors recommends and, therefore, FOR (i) the proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger and (ii) the proposal to approve the adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to permit further solicitation of proxies.

*SSE Stockholders:* If you properly complete and sign your proxy card but do not indicate how your shares of SSE common stock should be voted on a proposal, the shares of SSE common stock represented by your proxy will be voted as the SSE board of directors recommends and, therefore, FOR (i) the proposal to adopt the merger agreement, (ii) the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger and (iii) the proposal to approve the adjournment of the SSE special meeting, if necessary or appropriate, to permit further solicitation of proxies.

**Q: Can I change my vote or revoke my proxy after I have returned a proxy or voting instruction card?**

A: Yes.

*If you are the record holder of either Patterson-UTI or SSE common stock:* You can change your vote or revoke your proxy at any time before your proxy is voted at the applicable special meeting. You can do this by:

timely delivering a signed written notice of revocation;

timely delivering a new, valid proxy bearing a later date (including by telephone or through the internet); or

attending the special meeting and voting in person, which will automatically cancel any proxy previously given, or revoking your proxy in person.

Simply attending the Patterson-UTI special meeting or the SSE special meeting without voting will not revoke any proxy that you have previously given or change your vote.

If you choose either of the first two methods, your notice of revocation or your new proxy must be received by the Secretary of Patterson-UTI or SSE, as applicable, no later than the beginning of the applicable special meeting.

Regardless of the method used to deliver your previous proxy, you may revoke your proxy by any of the above methods.

*If you hold shares of either Patterson-UTI or SSE in street name :* If your shares are held in street name, you must contact your bank, broker or other nominee to change your vote.

**Q: What are the material U.S. federal income tax consequences of the merger to U.S. holders of SSE common stock?**

A: The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code ). It is a condition to Patterson-UTI's obligation to complete the merger that Patterson-UTI receive an opinion of Vinson & Elkins LLP, counsel to Patterson-UTI, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, and it is a condition to SSE's obligation to complete the merger that SSE receive an opinion of Wachtell, Lipton, Rosen & Katz, special counsel to SSE, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. If the merger so qualifies, a U.S. holder (as defined under Material U.S. Federal Income Tax Consequences ) of SSE common stock generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of SSE common stock for shares of Patterson-UTI common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Patterson-UTI common stock. For further information, see Material U.S. Federal Income Tax Consequences beginning on page 149.

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Your tax consequences will depend on your individual situation. Accordingly, please consult your own tax advisor for a full understanding of the particular tax consequences of the merger to you.

**Q: When do you expect the merger to be completed?**

A: Patterson-UTI and SSE hope to complete the merger as soon as reasonably possible and expect the closing of the merger to occur late in the first quarter or early in the second quarter of 2017. However, the merger is subject to the satisfaction or waiver of other conditions, and it is possible that factors outside the control of Patterson-UTI and SSE could result in the merger being completed at an earlier time, a later time or not at all.

**Q: What happens if the merger is not completed?**

A: If the issuance of Patterson-UTI common stock in the merger is not approved by Patterson-UTI stockholders or if the merger is not completed for any other reason, SSE stockholders will not receive any form of consideration for the SSE common stock they own in connection with the merger. In certain circumstances, SSE or Patterson-UTI may be required to pay up to \$7,500,000 of the other party's expenses, SSE may be required to pay Patterson-UTI a termination fee of \$40,000,000, or Patterson-UTI may be required to pay SSE a termination fee of either \$40,000,000 or \$100,000,000. For a discussion of these and other rights of each of Patterson-UTI and SSE to terminate the merger agreement, see *The Merger Agreement Termination Fees and Expenses* beginning on page 142.

**Q: Do I need to do anything with my shares of common stock other than vote for the proposals at the special meeting?**

A: *Patterson-UTI Stockholders:* If you are a Patterson-UTI stockholder, after the merger is completed, you are not required to take any action with respect to your shares of Patterson-UTI common stock.

*SSE Stockholders:* If you are a SSE stockholder, after the merger is completed, each share of SSE common stock that you hold will be converted automatically into the right to receive a number of shares of Patterson-UTI common stock equal to the exchange ratio together with cash (without interest) in lieu of any fractional shares, as applicable. You do not need to take any action at this time. A letter of transmittal and instructions for the surrender of SSE common stock certificates, or in the case of book entry shares, the surrender of such shares, will be mailed to SSE stockholders shortly after the completion of the merger.

**Q: Are stockholders entitled to appraisal rights?**

A: The holders of Patterson-UTI common stock are not entitled to appraisal rights in connection with the merger under Delaware law. SSE stockholders are entitled to appraisal rights under Section 262 of the General Corporation Law of the State of Delaware (the "DGCL"), provided they satisfy the special criteria and conditions

set forth in Section 262 of the DGCL. SSE common stock held by stockholders that do not vote for approval of the merger and make a demand for appraisal in accordance with Delaware law will not be converted into Patterson-UTI common stock, but will be converted into the right to receive from the combined company consideration determined in accordance with Delaware law.

For more information regarding appraisal rights, see *The Merger Appraisal Rights* beginning on page 116. In addition, a copy of Section 262 of the DGCL is attached to this joint proxy statement/prospectus as Annex E.

**Q: What happens if I transfer my shares of SSE common stock before the SSE special meeting?**

A: The record date for the SSE special meeting is earlier than the date of the SSE special meeting and the date that the merger is expected to be completed. If you transfer your shares of SSE common stock after the SSE record date but before the SSE special meeting, you will retain your right to vote at the SSE special meeting, but will have transferred the right to receive the merger consideration in the merger. In order to receive the merger consideration, you must hold your shares through the effective date of the merger.

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**Q: What does it mean if I receive more than one set of materials?**

A: This means you own shares of both Patterson-UTI and SSE common stock or you own shares of Patterson-UTI or SSE common stock that are registered under different names. For example, you may own some shares directly as a stockholder of record and other shares through a bank, broker or other nominee or you may own shares through more than one bank, broker or other nominee. In these situations, you will receive multiple sets of proxy materials. You must complete, sign and return all of the proxy cards or follow the instructions for any alternative voting procedure on each of the voting instruction forms you receive in order to vote all of the shares of Patterson-UTI and/or SSE common stock that you own. Each proxy card you receive will come with its own self-addressed, stamped envelope; if you submit your proxy by mail, make sure you return each proxy card in the return envelope that accompanied that proxy card.

**Q: How can I find out more information?**

A: For more information about Patterson-UTI and SSE, see the section titled **Where You Can Find More Information** beginning on page 250.

**Q: Who can help answer my questions?**

A: Patterson-UTI stockholders who have questions about the merger, the other matters to be voted on at the special meetings or how to submit a proxy, or desire additional copies of this joint proxy statement/prospectus or additional proxy cards should contact:

Georgeson LLC

1290 Avenue of the Americas, 9<sup>th</sup> Floor

New York, New York 10104

(800) 891-3214

SSE stockholders who have questions about the merger, the other matters to be voted on at the special meetings or how to submit a proxy, or desire additional copies of this joint proxy statement/prospectus or additional proxy cards should contact:

Seventy Seven Energy Inc.

777 NW 63rd Street

Oklahoma City, Oklahoma 73116

(405) 608-7777

Attn: Investor Relations



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**SUMMARY**

*This summary highlights information contained elsewhere in this joint proxy statement/prospectus and may not contain all the information that is important to you with respect to the merger and the other matters being considered at the Patterson-UTI and SSE special meetings. Patterson-UTI and SSE urge you to read the remainder of this joint proxy statement/prospectus carefully, including the attached Annexes, and the other documents to which we have referred you. See also the section titled "Where You Can Find More Information" beginning on page 250. We have included page references in this summary to direct you to a more complete description of the topics presented below.*

**The Companies**

***Patterson-UTI Energy, Inc.***

Patterson-UTI Energy, Inc., a Delaware corporation, is a Houston, Texas-based oilfield services company that owns and operates in the United States one of the largest fleets of land-based drilling rigs and a large fleet of pressure pumping equipment. Patterson-UTI's contract drilling business operates in the continental United States and western Canada. Patterson-UTI provides pressure pumping services to oil and natural gas operators primarily in Texas and the Appalachian region. Patterson-UTI also owns and invests in oil and natural gas assets that are primarily located in Texas and New Mexico as a non-operating working interest owner. Patterson-UTI, through its Warrior Rig Technologies subsidiary, provides pipe handling components and related technology to drilling contractors around the world. As of September 30, 2016, Patterson-UTI had a drilling fleet that included 161 APEX® rigs. As of September 30, 2016, Patterson-UTI had approximately 1.1 million hydraulic horsepower to provide pressure pumping services.

Patterson-UTI's common stock is traded on the Nasdaq Global Select Market under the symbol PTEN.

The principal executive offices of Patterson-UTI are located at 10713 West Sam Houston Parkway North, Suite 800, Houston, Texas 77064, and Patterson-UTI's telephone number is (281) 765-7100. Additional information about Patterson-UTI and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" on page 250.

***Seventy Seven Energy Inc.***

Seventy Seven Energy Inc., a Delaware corporation, is an Oklahoma City, Oklahoma-based independent oilfield services company that provides a wide range of wellsite services and equipment to U.S. land-based exploration and production customers operating in unconventional resource plays. SSE offers services and equipment that are strategic to its customers' oil and natural gas operations. SSE's services include drilling, hydraulic fracturing and oilfield rentals. SSE's operations are geographically diversified across many of the most active oil and natural gas plays in the onshore United States, including the Anadarko and Permian Basins and the Eagle Ford, Haynesville, Marcellus, Niobrara and Utica Shales. On June 30, 2014, SSE separated from Chesapeake Energy Corporation (CHK) in a series of transactions, which is referred to in this joint proxy statement/prospectus as the spin-off. Prior to the spin-off, SSE was an Oklahoma limited liability company operating under the name Chesapeake Oilfield Operating, L.L.C. and an indirect, wholly-owned subsidiary of CHK.

SSE's common stock is traded on the OTC Market Group Inc.'s OTC Grey market (the OTC Grey) under the symbol SVNT.

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The principal executive offices of SSE are located at 777 NW 63rd St., Oklahoma City, Oklahoma 73116, and SSE's telephone number is (405) 608-7777.

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***Pyramid Merger Sub, Inc.***

Pyramid Merger Sub, Inc., a wholly owned subsidiary of Patterson-UTI, is a Delaware corporation that was formed on December 7, 2016 for the sole purpose of effecting the merger. In the merger, Merger Sub will be merged with and into SSE, with SSE surviving the merger as a wholly owned subsidiary of Patterson-UTI.

**The Meetings**

***The Patterson-UTI Special Meeting (see page 59)***

The special meeting of Patterson-UTI stockholders will be held at Patterson-UTI's executive offices at 10713 West Sam Houston Parkway North, Suite 800, Houston, Texas 77064 on \_\_\_\_\_, at \_\_\_\_\_, local time. The special meeting of Patterson-UTI stockholders is being held to consider and vote on:

a proposal to approve the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger;

a proposal to approve the adjournment of the Patterson-UTI special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

Completion of the merger is conditioned on approval by Patterson-UTI stockholders of the issuance of Patterson-UTI common stock pursuant to the merger agreement.

Only record holders of shares of Patterson-UTI common stock at the close of business on \_\_\_\_\_, 2017, the record date for the Patterson-UTI special meeting, are entitled to notice of, and to vote at, the Patterson-UTI special meeting. At the close of business on the record date, the only outstanding voting securities of Patterson-UTI were common stock, and \_\_\_\_\_ shares of Patterson-UTI common stock were issued and outstanding, approximately of which \_\_\_\_\_ were owned and entitled to be voted by Patterson-UTI directors and executive officers. The Patterson-UTI directors and executive officers are currently expected to vote their shares in favor of each Patterson-UTI proposal listed above.

With respect to each Patterson-UTI proposal listed above, Patterson-UTI stockholders may cast one vote for each share of Patterson-UTI common stock that they own as of the Patterson-UTI record date. The proposal to approve the issuance of Patterson-UTI common stock requires the affirmative vote of a majority of the shares of Patterson-UTI common stock, present in person or represented by proxy at the Patterson-UTI special meeting and entitled to vote thereon. The proposal to approve the adjournment of the Patterson-UTI special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the shares of Patterson-UTI common stock, present in person or represented by proxy at the Patterson-UTI special meeting and entitled to vote on the proposal, regardless of whether there is a quorum.

No business may be transacted at the Patterson-UTI special meeting unless a quorum is present. If a quorum is not present at the special meeting, or if a quorum is present at the special meeting but there are not sufficient votes at the time of the special meeting to approve the proposal to issue shares of Patterson-UTI common stock in connection with the merger, then the chairman of the meeting has the power to adjourn the meeting, or, alternatively, Patterson-UTI stockholders may be asked to vote on a proposal to adjourn the Patterson-UTI special meeting in order to permit the

further solicitation of proxies. No notice of an adjourned meeting need be given unless the date, time and place of the resumption of the meeting are not announced at the adjourned meeting, the adjournment is for more than 30 days or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

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***Reasons for the Merger; Recommendation of the Patterson-UTI Board of Directors (see page 59)***

The Patterson-UTI board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement (including the issuance of shares of Patterson-UTI common stock to SSE stockholders in connection with the merger) to be advisable and fair to and in the best interests of Patterson-UTI stockholders. **The Patterson-UTI board of directors unanimously recommends that Patterson-UTI stockholders vote FOR the proposal to approve the issuance of Patterson-UTI common stock pursuant to the merger agreement and FOR the proposal to approve the adjournment of the Patterson-UTI special meeting to a later date or dates, if necessary or appropriate to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the issuance of shares of Patterson-UTI common stock.** For more information regarding the factors considered by the Patterson-UTI board of directors in reaching its decisions relating to its recommendation, see the section titled *The Merger Patterson-UTI's Reasons for the Merger; Recommendation of the Patterson-UTI Board of Directors.*

***Opinion of Patterson-UTI's Financial Advisor (see page 82)***

Patterson-UTI engaged Piper Jaffray & Co., through its Simmons & Company International division (referred to as *Piper Jaffray*), to act as financial advisor in connection with the transactions contemplated by the merger agreement. On December 12, 2016, Piper Jaffray delivered to the Patterson-UTI board of directors its oral opinion, confirmed by its delivery of a written opinion dated December 12, 2016, that, as of the date thereof, and based upon and subject to the assumptions, procedures, factors, qualifications, limitations and other matters set forth in Piper Jaffray's written opinion, the up to 49,559,000 shares of Patterson-UTI common stock to be issued for all outstanding shares of SSE pursuant to the merger agreement was fair, from a financial point of view, to Patterson-UTI.

**The full text of Piper Jaffray's written opinion dated December 12, 2016, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Piper Jaffray in delivering its opinion, is attached as Annex C to this proxy statement/prospectus and is incorporated herein by reference in its entirety.**

**Piper Jaffray's opinion was addressed to, and provided for the information and benefit of, the Patterson-UTI board of directors and was delivered to the Patterson-UTI board of directors in connection with its evaluation of the fairness of the merger consideration from a financial point of view, to Patterson-UTI, and did not address any other aspects or implications of the transactions contemplated by the merger agreement. Piper Jaffray's opinion does not constitute a recommendation to the Patterson-UTI board of directors or to any other persons in respect of the transactions contemplated by the merger agreement, including as to how any holder of Patterson-UTI common stock should vote or act with respect to the proposal to adopt any other matter. Piper Jaffray's opinion did not address the relative merits of the transactions contemplated by the merger agreement compared to other business or financial strategies that might be available to Patterson-UTI, nor did it address the underlying business decision of Patterson-UTI to enter into the merger agreement or to consummate the transactions contemplated by the merger agreement.**

For a more complete discussion of Piper Jaffray's opinion, see *The Merger Opinion of Patterson-UTI's Financial Advisor* beginning on page 82.



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***The SSE Special Meeting (see page 64)***

The special meeting of SSE stockholders will be held at SSE's executive offices at 777 N.W. 63rd Street, Oklahoma City, Oklahoma 73116, on \_\_\_\_\_, 2017, at \_\_\_\_\_, local time. The special meeting of SSE stockholders is being held in order to consider and vote on:

a proposal to adopt the merger agreement, which is further described in the sections titled "The Merger" and "The Merger Agreement," beginning on pages 69 and 121, respectively;

a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger; and

a proposal to approve the adjournment of the SSE special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal above.

Completion of the merger is conditioned on approval and adoption of the merger agreement and the transactions contemplated by the merger agreement, including the merger, by the SSE stockholders. The proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger is a vote separate and apart from the vote on the proposal to adopt the merger agreement. Accordingly, a SSE stockholder may vote to approve one proposal and not the other. Because the vote on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger is advisory in nature only, it will not be binding on SSE or Patterson-UTI, and the approval of that proposal is not a condition to the completion of the merger.

Only record holders of shares of SSE common stock at the close of business on \_\_\_\_\_, 2017, the record date for the SSE special meeting, are entitled to notice of, and to vote at, the SSE special meeting. At the close of business on the record date, the only outstanding voting securities of SSE were common stock, and \_\_\_\_\_ shares of SSE common stock were issued and outstanding and entitled to vote at the SSE special meeting, approximately \_\_\_\_\_ of which were owned and entitled to be voted by SSE directors and executive officers. The SSE directors and executive officers are currently expected to vote their shares in favor of each of the SSE proposals listed above.

In connection with the execution of the merger agreement, certain affiliates of Axar Capital Management, LLC, BlueMountain Capital Management, LLC and Mudrick Capital Management, L.P. have entered into voting and support agreements with Patterson-UTI, pursuant to which each such stockholder agreed to vote all of its shares of SSE common stock in favor of the adoption of the merger agreement and against, among other things, alternative transactions. As of the date of this joint proxy statement/prospectus, those stockholders hold and are entitled to vote in the aggregate approximately 59% of the issued and outstanding shares of SSE common stock entitled to vote at the SSE special meeting. In the event that SSE's board of directors changes its recommendation that SSE stockholders adopt the merger agreement, such stockholders, taken together, will be required to vote shares that, in the aggregate, represent 39.99% of the issued and outstanding shares of SSE common stock on such proposal, with each such stockholder being able to vote the balance of its shares of SSE common stock on such proposal in such stockholder's sole discretion. See "The Merger Agreement Voting and Support Agreements" beginning on page 144 for more information.

With respect to each SSE proposal listed above, SSE stockholders may cast one vote for each share of SSE common stock that they own as of the SSE record date. The proposal to adopt the merger agreement requires the affirmative vote of a majority of the outstanding shares of SSE common stock entitled to vote thereon. The proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger requires the affirmative vote of a majority of

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the voting power of the outstanding shares present in person or represented by proxy at the special meeting and entitled to vote thereon, assuming a quorum is present. The proposal to approve adjournment of the SSE special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the voting power of the outstanding shares present in person or represented by proxy at the special meeting and entitled to vote thereon, regardless of whether there is a quorum.

No business may be transacted at the SSE special meeting unless a quorum is present. If a quorum is not present, or if fewer shares are voted in favor of the proposal to adopt the merger agreement, than is required, then the chairman of the meeting has the power to adjourn the meeting, or, alternatively, SSE stockholders may be asked to vote on a proposal to adjourn the SSE special meeting in order to permit the further solicitation of proxies. No notice of an adjourned meeting need be given unless the date, time and place of the resumption of the meeting are not announced at the adjourned meeting, the adjournment is for more than 30 days, or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which cases a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

***Reasons for the Merger; Recommendation of the SSE Board of Directors (see page 64)***

The SSE board of directors unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement, and declared the merger agreement, the merger and the other transactions contemplated by the merger agreement to be advisable and fair to and in the best interests of SSE stockholders. **The SSE board of directors unanimously recommends that SSE stockholders vote FOR the proposal to adopt the merger agreement, FOR the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to SSE's named executive officers in connection with the merger and FOR the proposal to approve the adjournment of the SSE special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to adopt the merger agreement.** For more information regarding the factors considered by the SSE board of directors in reaching its decision to recommend the approval of the merger agreement, see the section titled "The Merger - SSE's Reasons for the Merger; Recommendation of the SSE Board of Directors."

***Opinion of SSE's Financial Advisor (see page 94)***

SSE retained Morgan Stanley & Co. LLC, which we refer to in this joint proxy statement/prospectus as "Morgan Stanley," in connection with the merger. On December 12, 2016, Morgan Stanley rendered to the SSE board of directors its oral opinion, subsequently confirmed in writing on December 12, 2016, that, as of such date and based upon and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley as set forth in its written opinion, the consideration to be received by SSE stockholders pursuant to the merger agreement was fair, from a financial point of view, to the holders of SSE common stock. The full text of Morgan Stanley's written opinion dated as of December 12, 2016, to the SSE board of directors, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley in rendering its opinion, is attached as Annex D to, and is incorporated by reference into, this joint proxy statement/prospectus. The summary of the opinion of Morgan Stanley in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. We encourage you to read Morgan Stanley's opinion and the summary of Morgan Stanley's opinion below carefully and in their entirety.

**Morgan Stanley's opinion was rendered for the benefit of the SSE board of directors, in its capacity as such, and addressed only the fairness, from a financial point of view, of the consideration to be received by SSE stockholders pursuant to the merger agreement to the holders of SSE common stock as of the date of**



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**the opinion. Morgan Stanley's opinion does not address any of the relative merits of the transactions contemplated by the merger agreement as compared to other business or financial strategies that might be available to SSE, nor does it address the underlying business decision of SSE to enter into the merger agreement or proceed with any other transaction contemplated by the merger agreement. In addition, Morgan Stanley's opinion does not in any manner address the prices at which Patterson-UTI common stock will trade following the consummation of the merger or at any time. The opinion was addressed to, and rendered for the benefit of, the SSE board of directors and was not intended to, and does not, constitute advice or a recommendation to any holder of SSE common stock as to how to vote or act on any matter with respect to the merger.**

For a more complete discussion of Morgan Stanley's opinion, see "The Merger" Opinion of SSE's Financial Advisor beginning on page 94.

### **The Merger**

*A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus. Patterson-UTI and SSE encourage you to read the entire merger agreement carefully because it is the principal document governing the merger. For more information on the merger agreement, see the section titled "The Merger Agreement" beginning on page 121.*

#### ***Form of the Merger (see page 121)***

Subject to the terms and conditions of the merger agreement, at the effective time, Merger Sub, a wholly owned subsidiary of Patterson-UTI that was formed for the sole purpose of effecting the merger, will merge with and into SSE. SSE will survive the merger and become a wholly owned subsidiary of Patterson-UTI.

#### ***Merger Consideration (see page 121)***

Each issued and outstanding share of SSE common stock, other than shares owned by SSE and its wholly owned subsidiaries, shares owned by Patterson-UTI or Merger Sub and shares for which appraisal rights held by SSE stockholders have been perfected in compliance with Section 262 of the DGCL, will be converted into the right to receive a number of shares of Patterson-UTI common stock equal to the exchange ratio. The exchange ratio will be equal to 49,559,000 shares of Patterson-UTI common stock, divided by the total number of shares of SSE common stock outstanding or deemed outstanding immediately prior to the effective time (which includes (i) shares of SSE common stock outstanding as a result of the exercise of warrants to acquire SSE common stock, (ii) shares of SSE common stock deemed outstanding as a result of the vesting of SSE restricted stock unit awards that existed prior to the execution of the merger agreement, (iii) any shares of SSE common stock subject to perfected appraisal rights, (iv) shares of SSE common stock that underlie restricted stock unit awards that SSE issues on or after the execution of the merger agreement and (v) 50% of any shares of SSE common stock that have been tendered to SSE on or after August 1, 2016 for the purposes of satisfying tax withholding obligations upon the vesting of SSE restricted stock unit awards); *provided* that, in the event that any Series A warrants to acquire shares of SSE common stock are forfeited or net settled, such 49,559,000 shares of Patterson-UTI common stock will be reduced by a number equal to (i) the aggregate exercise price for the warrants that are forfeited or net settled, divided by (ii) the volume weighted average price of a share of Patterson-UTI common stock for the ten consecutive trading days immediately preceding the third business day prior to the closing. In no event will Patterson-UTI issue more than 49,559,000 shares of its common stock as merger consideration. Annex B of this joint proxy statement/prospectus sets forth illustrative calculations of the exchange ratio.

In addition, Patterson-UTI will not issue fractional shares of SSE common stock pursuant to the merger agreement. Instead, each SSE stockholder who otherwise would have been entitled to receive a fraction of a share

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of Patterson-UTI common stock will receive cash (without interest) in lieu thereof, upon surrender of his or her shares of SSE common stock. The exchange agent will aggregate and sell all fractional shares issuable as part of the merger consideration at the prevailing price on the NASDAQ. An SSE stockholder who would otherwise have received a fraction of a share of Patterson-UTI common stock will receive an amount of cash generated from such sales attributable to the stockholder's proportionate interest in the net proceeds of such sales, less expenses and without interest.

The exchange ratio will not be adjusted for changes in the market value of the common stock of SSE or Patterson-UTI. As a result, the implied value of the consideration to SSE stockholders will fluctuate between the date of this joint proxy statement/prospectus and the effective time. Based on the closing price of Patterson-UTI common stock on the NASDAQ on December 12, 2016, the last trading day before public announcement of the merger, the aggregate transaction value of the merger consideration payable to SSE stockholders was approximately \$1.42 billion, assuming the issuance of 49,559,000 shares of Patterson-UTI common stock.

### ***Treatment of SSE Incentive Plan Restricted Stock Unit Awards (see page 137)***

Each SSE restricted stock unit award granted prior to December 12, 2016 that is outstanding as of immediately prior to the effective time will immediately vest, and any forfeiture restrictions applicable to all such awards will immediately lapse. Such restricted stock unit awards will be deemed settled, and shares of SSE common stock subject to such awards will be treated as shares of SSE common stock and receive the merger consideration. In addition, at the effective time, each SSE restricted stock unit award granted on or following December 12, 2016 will be assumed by Patterson-UTI and converted into a restricted stock unit award, with the same terms and conditions as in effect immediately prior to the effective time, covering a number of shares of Patterson-UTI common stock equal to (i) the number of shares of SSE common stock subject to the award immediately prior to the effective time, multiplied by (ii) the exchange ratio (discussed above), rounded to the nearest whole share.

### ***Expected Timing of the Merger***

Patterson-UTI and SSE currently expect the closing of the merger to occur late in the first quarter or early in the second quarter of 2017. However, the merger is subject to the satisfaction or waiver of conditions as described in the merger agreement, and it is possible that factors outside the control of Patterson-UTI and SSE could result in the merger being completed at an earlier time, a later time or not at all.

### ***Conditions to Completion of the Merger (see page 138)***

The respective obligations of Patterson-UTI, SSE and Merger Sub to effect the merger and otherwise consummate the transactions contemplated by the merger agreement are subject to the satisfaction or waiver of the following conditions at or before the closing date of the merger (the "closing date"):

effectiveness of the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part and the absence of a stop order suspending the effectiveness of such registration statement on Form S-4 or proceedings initiated or threatened by the SEC for that purpose;

adoption of the merger agreement by the affirmative vote of holders of a majority of the outstanding shares of SSE common stock entitled to vote thereon;

approval of the issuance of Patterson-UTI common stock pursuant to the merger agreement by the affirmative vote of holders of a majority of the shares present in person or represented by proxy and entitled to vote thereon;

authorization for the listing on the NASDAQ of the shares of Patterson-UTI common stock to be issued in connection with the merger, subject to official notice of issuance;

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expiration or termination of any waiting periods applicable to the consummation of the merger and the other transactions contemplated by the merger agreement under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (referred to in this joint proxy statement/prospectus as the "HSR Act") (on January 13, 2017, Patterson-UTI and SSE were notified by U.S. antitrust authorities that the early termination of the waiting period under the HSR Act had been granted); and

absence of any laws, temporary restraining orders, preliminary or permanent injunctions or other orders that have the effect of making the merger illegal or otherwise prohibiting completion of the merger.

In addition, Patterson-UTI's and Merger Sub's obligations to effect the merger are subject to the satisfaction or waiver of the following additional conditions:

each of the representations and warranties of SSE set forth in the merger agreement being true and correct as of the date of the merger agreement and as of the closing date as though made on the closing date, unless otherwise specified and subject to certain materiality thresholds;

performance of, or compliance with, in all material respects, all covenants and obligations required to be performed or complied with by SSE under the merger agreement on or prior to the closing date;

receipt of a certificate executed by the chief executive officer and chief financial officer of SSE, dated as of the closing date, confirming the satisfaction of the conditions described in the preceding two bullet points;

receipt by Patterson-UTI of a tax opinion from its counsel, dated as of the closing date, that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code;

SSE or any of its subsidiaries not incurring one or more material losses the value of which exceed, or would reasonably be expected to exceed, individually or in the aggregate, \$100 million during the pre-closing period; and

the indebtedness less cash and cash equivalents (the "net debt") of SSE and its subsidiaries not exceeding \$500 million and SSE furnishing to Patterson-UTI and Merger Sub a certificate executed by the chief executive officer and chief financial officer of SSE, dated as of the closing date, confirming that the net debt of SSE and its subsidiaries as of the closing date does not exceed \$500 million and setting forth SSE's calculation of the net debt of SSE and its subsidiaries.

In addition, SSE's obligations to effect the merger is subject to the satisfaction or waiver of the following additional conditions:

each of the representations and warranties of Patterson-UTI set forth in the merger agreement being true and correct as of the date of the merger agreement and as of the closing date as though made on the closing date,

unless otherwise specified and subject to certain materiality thresholds;

performance of, or compliance with, in all material respects, all covenants and obligations required to be performed or complied with by Patterson-UTI under the merger agreement on or prior to the closing date;

receipt by SSE of a certificate executed by the chief executive officer and chief financial officer of Patterson-UTI, dated as of the closing date, confirming the satisfaction of the conditions described in the preceding two bullet points;

receipt by SSE of a tax opinion from its special counsel, dated as of the closing date, that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code;

Patterson-UTI or any of its subsidiaries not incurring one or more material losses the value of which exceed, or would reasonably be expected to exceed, individually or in the aggregate, \$300 million during the pre-closing period; and

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the net debt of Patterson-UTI and its subsidiaries not exceeding \$725 million plus any indebtedness incurred to refinance SSE's existing indebtedness or pay transaction costs, and Patterson-UTI furnishing to SSE a certificate executed by the chief executive officer and chief financial officer of Patterson-UTI, dated as of the closing date, confirming that the net debt of Patterson-UTI and its subsidiaries as of the closing date does not exceed \$725 million plus any indebtedness incurred to refinance SSE's existing indebtedness or pay transaction costs.

***Debt Financing (see page 130)***

In connection with the merger, Patterson-UTI entered into a financing commitment letter with Canyon Capital Advisors LLC for a senior unsecured bridge facility in an aggregate principal amount not to exceed \$150 million for the purposes of repaying or redeeming certain of SSE and its subsidiaries' indebtedness and to pay related fees and expenses. Any undrawn commitments under the bridge facility will automatically terminate on the closing date. Patterson-UTI may issue debt securities or equity, incur bank loans or consummate other financings or use cash on hand in lieu of drawing all or a portion of the bridge loan committed to be funded under the bridge facility.

***No Solicitation of Competing Proposals (see page 131)***

The merger agreement generally precludes SSE from, directly or indirectly, (i) soliciting, initiating, facilitating, knowingly encouraging or inducing or taking any action that could be reasonably expected to lead to the making, submission or announcement of a proposal competing with the transactions contemplated by the merger agreement, (ii) furnishing any nonpublic information regarding SSE or its subsidiaries to any third party in connection with or in response to a proposal competing with the transactions contemplated by the merger agreement, (iii) engaging in discussions or negotiations with any third party with respect to a proposal competing with the transactions contemplated by the merger agreement, (iv) approving, endorsing, or recommending a proposal competing with the transactions contemplated by the merger agreement or (v) entering into any agreement contemplating or otherwise relating to a proposal competing with the transactions contemplated by the merger agreement. However, if SSE receives a proposal meeting certain requirements from a third party, and the SSE board of directors determines in good faith, after consultation with its outside legal counsel and its outside financial advisor, that such competing proposal is or is reasonably likely to result in a superior proposal, and that the failure to take such action would be inconsistent with its fiduciary duties under applicable legal requirements, SSE may furnish non-public information to, and engage in discussions or negotiations with, that third party regarding such competing proposal. See the section titled "The Merger Agreement - No Solicitation of Competing Proposals."

In addition, the merger agreement generally precludes Patterson-UTI from, directly or indirectly, (i) soliciting, initiating, facilitating, knowingly encouraging or inducing or taking any action that could be reasonably expected to lead to the making, submission or announcement of a proposal competing with the transactions contemplated by the merger agreement, (ii) furnishing any nonpublic information regarding Patterson-UTI or its subsidiaries to any third party in connection with or in response to a proposal competing with the transactions contemplated by the merger agreement, (iii) engaging in discussions or negotiations with any third party with respect to a proposal competing with the transactions contemplated by the merger agreement, (iv) approving, endorsing, or recommending a proposal competing with the transactions contemplated by the merger agreement or (v) entering into any agreement contemplating or otherwise relating to a proposal competing with the transactions contemplated by the merger agreement. However, if Patterson-UTI receives a proposal meeting certain requirements from a third party, and the Patterson-UTI board of directors determines in good faith, after consultation with its outside legal counsel and its outside financial advisor, that such competing proposal is or is reasonably likely to result in a superior proposal, and that the failure to take such action would be inconsistent with its fiduciary duties under applicable legal requirements, Patterson-UTI may furnish



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non-public information to, and engage in discussions or negotiations with, that third party regarding such competing proposal. See the section titled *The Merger Agreement No Solicitation of Competing Proposals*.

### ***Changes in Board Recommendations (see page 134)***

The merger agreement generally provides that, subject to the exceptions described below, SSE may not change its recommendation that SSE stockholders adopt the merger agreement, and Patterson-UTI may not change its recommendation that Patterson-UTI stockholders approve the issuance of Patterson-UTI common stock in the merger.

However, notwithstanding the foregoing, the merger agreement provides that, prior to obtaining SSE stockholder approval of the merger and in response to a bona fide competing proposal that did not result from a material breach of the non-solicitation covenants and certain related covenants, SSE may effect a change of recommendation after satisfaction of certain conditions set forth under *The Merger Agreement Changes in Board Recommendations*. In addition, the merger agreement provides that, prior to obtaining SSE stockholder approval of the merger and in response to an intervening event with respect to SSE, SSE may effect a change of recommendation after satisfaction of certain conditions set forth under *The Merger Agreement Changes in Board Recommendations*.

The merger agreement also provides that, prior to obtaining Patterson-UTI stockholder approval of the proposed issuance of Patterson-UTI common stock in the merger and in response to a bona fide competing proposal that did not result from a material breach of the non-solicitation covenants and certain related covenants or an intervening event with respect to Patterson-UTI, the Patterson-UTI board of directors or any committee thereof may effect a change of recommendation after satisfaction of certain conditions set forth under *The Merger Agreement Changes in Board Recommendations*.

### ***Termination of the Merger Agreement (see page 140)***

The merger agreement may be terminated prior to the effective time under the following circumstances:

by mutual written consent of Patterson-UTI and SSE;

by either Patterson-UTI or SSE:

if the merger is not consummated by on or before 5:00 p.m. Central Time on June 30, 2017 (or August 31, 2017 in the event such date is extended as provided for in the merger agreement), unless the failure to close by that date is due to the failure of the terminating party to perform any of its material covenants or agreements under the merger agreement;

if any governmental entity issues a final and nonappealable order, or takes any other action, permanently restraining, enjoining or otherwise prohibiting the consummation of the merger or a legal requirement is in place which permanently makes the completion of the merger illegal or otherwise prohibits the consummation of the merger;

if the SSE stockholders fail to adopt the merger agreement at the SSE special meeting; or

if the Patterson-UTI stockholders fail to approve the issuance of Patterson-UTI common stock in the merger at the Patterson-UTI special meeting;

by Patterson-UTI:

prior to obtaining approval of the SSE stockholders, if (i) the SSE board of directors makes a change of recommendation, (ii) SSE fails to include the SSE board recommendation in this joint proxy statement/prospectus or (iii) SSE, its subsidiaries, any SSE directors or officers, any stockholders party to the voting agreements or any designated representative of SSE materially violates or breaches the non-solicitation covenants of the merger agreement;

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if (i) SSE's representations and warranties were inaccurate as of the date of the merger agreement such that the condition regarding the accuracy of SSE's representations in the merger agreement would not be satisfied, (ii) SSE's representations and warranties become inaccurate as of a date subsequent to the date of the merger agreement, such that the condition regarding the accuracy of SSE's representations in the merger agreement would not be satisfied, or (iii) SSE breaches any of its covenants, such that the condition regarding SSE's covenants in the merger agreement would not be satisfied;

by SSE:

prior to obtaining approval of the Patterson-UTI stockholders, if (i) the Patterson-UTI board of directors makes a change of recommendation, (ii) Patterson-UTI fails to include the Patterson-UTI board recommendation in this joint proxy statement/prospectus or (iii) Patterson-UTI, its subsidiaries, any Patterson-UTI directors or officers or any designated representative of Patterson-UTI materially violates or breaches the non-solicitation or stockholder meeting covenants of the merger agreement;

if (i) Patterson-UTI's representations and warranties were inaccurate as of the date of the merger agreement such that the condition regarding the accuracy of Patterson-UTI's representations in the merger agreement would not be satisfied, (ii) Patterson-UTI's representations and warranties become inaccurate as of a date subsequent to the date of the merger agreement, such that the condition regarding the accuracy of Patterson-UTI's representations in the merger agreement would not be satisfied, or (iii) Patterson-UTI breaches any of its covenants, such that the condition regarding Patterson-UTI's covenants in the merger agreement would not be satisfied.

***Termination Fees and Expenses (see page 142)***

Generally, all fees and expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring those expenses, subject to the specific exceptions discussed in this joint proxy statement/prospectus. In certain circumstances, SSE or Patterson-UTI may be required to pay up to \$7,500,000 of the other party's expenses, SSE may be required to pay Patterson-UTI a termination fee of \$40,000,000, or Patterson-UTI may be required to pay SSE a termination fee of either \$40,000,000 or \$100,000,000. See the section titled "The Merger Agreement Termination Fees and Expenses" beginning on page 142 for a discussion of the circumstances under which such termination fee will be required to be paid.

***Comparison of Stockholder Rights and Corporate Governance Matters (see page 166)***

The governing corporate documents of SSE differ from the governing corporate documents of Patterson-UTI. As a result, SSE stockholders that receive Patterson-UTI common stock as merger consideration will have different rights once they become stockholders of Patterson-UTI. These differences are described in detail under the section titled "Comparison of Rights of Patterson-UTI Stockholders and SSE Stockholders."

***Listing of Patterson-UTI Common Stock; Halting of Trading of SSE Common Stock (see page 116)***

It is a condition to the completion of the merger that the shares of Patterson-UTI common stock to be issued to SSE stockholders be authorized for listing on the NASDAQ at the effective time, subject to official notice of issuance. Upon completion of the merger, shares of SSE common stock will cease to be traded on the OTC Grey.

*Interests of SSE Directors and Executive Officers in the Merger (see page 109)*

SSE's directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of the SSE stockholders generally. The members of the SSE board of directors were aware of and

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considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending that SSE stockholders adopt the merger agreement.

These interests include, among others:

Each SSE executive officer is a party to an employment agreement with SSE that would provide that executive with potential compensation and benefits in the event that the executive is involuntarily terminated in connection with the merger.

SSE's directors and executive officers hold equity compensation plan awards under the Seventy Seven Energy Inc. 2016 Omnibus Incentive Plan (the SSE Incentive Plan), the vesting of which will be accelerated as a result of the merger, in accordance with the terms of those awards and the merger agreement.

SSE's directors and executive officers are entitled to continued indemnification and insurance coverage under the merger agreement, as more fully described in The Merger Agreement Indemnification and Insurance beginning on page 138.

In addition, the SSE board of directors has adopted a resolution providing that the disposition of SSE shares by SSE's officers and directors in exchange for Patterson-UTI shares in the merger is intended to be exempt from liability pursuant to Section 16(b) of the Exchange Act.

### ***Regulatory Clearances Required to Complete the Transactions (see page 114)***

Consummation of the merger is subject to the expiration or termination of any applicable waiting period under the HSR Act. On January 3, 2017, Patterson-UTI and SSE filed Notification and Report Forms with the Antitrust Division of the Department of Justice and the Federal Trade Commission, which is referred to as the FTC. On January 13, 2017, Patterson-UTI and SSE were notified by the FTC that the early termination of the waiting period under the HSR Act had been granted. See The Merger Regulatory Clearances Required for the Merger.

### ***Board of Directors and Executive Management Following the Merger (see page 114)***

Following the completion of the merger, it is anticipated that the Patterson-UTI board of directors will have seven members, consisting of the seven individuals currently serving on the Patterson-UTI board of directors as of the date of this joint proxy statement/prospectus.

Following the completion of the merger, it is anticipated that each of the Patterson-UTI executive officers will continue to serve in their current positions and under the same compensation plans and arrangements that were in place prior to the merger.

### ***Appraisal Rights (see page 116)***

The holders of Patterson-UTI common stock are not entitled to appraisal rights in connection with the merger under Delaware law.

The holders of SSE common stock are entitled to appraisal rights in connection with the merger under Delaware law. SSE common stock held by stockholders that do not vote for approval of the merger and make a demand for appraisal in accordance with Delaware law will not be converted into Patterson-UTI common stock, but will be converted into the right to receive from the combined company consideration determined in accordance with Delaware law.

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### ***Exchange of Shares in the Merger (see page 122)***

On or prior to the effective time, Patterson-UTI will enter into an agreement with a bank or trust company reasonably acceptable to SSE to act as agent for the holders of SSE common stock in connection with the merger and to receive the merger consideration and cash sufficient to pay cash (without interest) in lieu of fractional shares to which holders of fractional shares may become entitled. At the effective time, each share of SSE common stock outstanding immediately prior to the effective time, other than shares owned by SSE and its wholly owned subsidiaries, shares owned by Patterson-UTI or Merger Sub and shares for which appraisal rights held by SSE stockholders have been perfected, will be converted into the right to receive a number of shares of Patterson-UTI common stock equal to the exchange ratio (as defined above).

Promptly after the effective time, but in no event later than three business days after the closing date, Patterson-UTI will cause the exchange agent to mail to each holder of SSE common stock a letter of transmittal specifying, among other things, that delivery will be effected, and risk of loss and title to any certificates shall pass, only upon proper delivery of such certificates to the exchange agent, or in the case of book entry shares, upon adherence to the procedures set forth in the letter of transmittal and instructions explaining the procedure for surrendering SSE stock certificates in exchange for shares of Patterson-UTI common stock or, in the case of book entry shares, the surrender of such shares for payment of the merger consideration.

After the effective time, shares of SSE common stock, including shares for which appraisal rights held by SSE stockholders have been perfected, will no longer be outstanding. At the effective time, all such shares will be automatically canceled and will cease to exist, and each certificate or book entry share, if any, that previously represented shares of SSE common stock (other than shares for which appraisal rights have been perfected) will represent only the right to receive the merger consideration as described above, any cash (without interest) in lieu of fractional shares of Patterson-UTI common stock and any dividends or other distributions to which the holders of the certificates become entitled upon surrender of such certificates or book entry shares. Any shares of SSE common stock for which appraisal rights have been perfected will represent the right to payment of the fair value of such shares in accordance with the provisions of Section 262 of the DGCL. With respect to those shares of Patterson-UTI common stock deliverable upon the surrender of SSE stock certificates or book entry shares, until holders of such SSE stock certificates or book entry shares have surrendered those stock certificates or book entry shares to the exchange agent, those holders will not receive dividends or distributions declared or made with respect to such shares of Patterson-UTI common stock with a record date after the effective time.

SSE stockholders will not receive any fractional shares of Patterson-UTI common stock pursuant to the merger. Instead of any fractional shares, SSE stockholders will be paid an amount in cash (without interest) for such fraction of a share. The exchange agent will aggregate and sell all fractional shares issuable as part of the merger consideration at the prevailing price on the NASDAQ. An SSE stockholder who would otherwise have received a fraction of a share of Patterson-UTI common stock will receive an amount of cash generated from such sales attributable to the stockholder's proportionate interest in the net proceeds of such sales, less expenses and without interest.

Patterson-UTI stockholders need not take any action with respect to their stock certificates.

### ***Anticipated Accounting Treatment (see page 152)***

Patterson-UTI prepares its financial statements in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The merger will be accounted for using the acquisition method of accounting with Patterson-UTI being considered the acquirer of SSE for accounting purposes. This means that Patterson-UTI will allocate the purchase price to the fair value of SSE's tangible and intangible assets and liabilities at the acquisition date, with the excess

purchase price being recorded as goodwill. Under the acquisition method of accounting, goodwill is not amortized but is tested for impairment at least annually.

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***Material U.S. Federal Income Tax Consequences (see page 149)***

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to Patterson-UTI's obligation to complete the merger that Patterson-UTI receive an opinion of Vinson & Elkins LLP, counsel to Patterson-UTI, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, and it is a condition to SSE's obligation to complete the merger that SSE receive an opinion of Wachtell, Lipton, Rosen & Katz, special counsel to SSE, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. If the merger so qualifies, a U.S. holder (as defined under Material U.S. Federal Income Tax Consequences ) of SSE common stock generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of SSE common stock for shares of Patterson-UTI common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Patterson-UTI common stock. For further information, see Material U.S. Federal Income Tax Consequences beginning on page 149.

*Your tax consequences will depend on your individual situation. Accordingly, please consult your own tax advisor for a full understanding of the particular tax consequences of the merger to you.*

***Risk Factors (see page 35)***

In evaluating the merger, in addition to the other information contained in this joint proxy statement/prospectus, you should carefully consider the risk factors relating to the merger and each of Patterson-UTI and SSE beginning on page 35.

**Table of Contents****Summary Selected Consolidated Financial Data****Summary Selected Consolidated Historical Financial Data of Patterson-UTI**

The following table sets forth Patterson-UTI's selected consolidated historical financial information that has been derived from (1) Patterson-UTI's consolidated financial statements as of December 31, 2015, 2014, 2013, 2012 and 2011 and (2) Patterson-UTI's consolidated financial statements for the nine months ended September 30, 2016 and 2015. This consolidated financial data does not include the effects of the merger. You should read this financial information in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes thereto included in Patterson-UTI's Annual Report on Form 10-K for the year ended December 31, 2015 and Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, each of which is incorporated into this joint proxy statement/prospectus by reference. The selected statement of operations data for the years ended December 31, 2012 and 2011 and selected balance sheet data as of December 31, 2013, 2012 and 2011 have been derived from Patterson-UTI's audited consolidated financial statements for such years, which have not been incorporated into this joint proxy statement/prospectus by reference. See "Where You Can Find More Information" beginning on page 250.

	<b>Nine Months Ended September 30,</b>		<b>Year Ended December 31,</b>				
	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>(in thousands, except share data)</b>						
<b>Statement of operations data:</b>							
Operating revenues:							
Contract drilling	\$ 407,578	\$ 951,616	\$ 1,153,892	\$ 1,838,830	\$ 1,679,611	\$ 1,821,713	\$ 1,669,581
Pressure pumping	248,428	580,752	712,454	1,293,265	979,166	841,771	845,803
Oil and natural gas	12,973	20,343	24,931	50,196	57,257	59,930	50,559
<b>Total operating revenues</b>	<b>668,979</b>	<b>1,552,711</b>	<b>1,891,277</b>	<b>3,182,291</b>	<b>2,716,034</b>	<b>2,723,414</b>	<b>2,565,943</b>
Operating costs and expenses:							
Contract drilling	219,218	503,376	608,848	1,066,659	968,754	1,075,491	972,778
Pressure pumping	234,580	494,078	612,021	1,036,310	744,243	580,878	561,398
Oil and natural gas	5,586	8,096	11,500	13,102	12,909	11,303	9,615
Depreciation, depletion, amortization and impairment	511,209	689,457	864,759	718,730	597,469	526,614	437,279
Impairment of goodwill		124,561	124,561				

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Selling, general and administrative	51,671	58,335	74,913	80,145	73,852	64,473	64,271
Provision for bad debts						1,100	
Other operating (income) expense, net	(10,285)	4,984	1,647	(15,781)	(3,384)	(33,806)	(4,999)
Total operating costs and expenses	1,011,979	1,882,887	2,298,249	2,899,165	2,393,843	2,226,053	2,040,342
Operating income (loss)	(343,000)	(330,176)	(406,972)	283,126	322,191	497,361	525,601
Other income (expense)	(31,397)	(26,104)	(35,477)	(28,843)	(25,750)	(21,688)	(14,883)
Income (loss) from continuing operations before income taxes	(374,397)	(356,280)	(442,449)	254,283	296,441	475,673	510,718
Income tax expense (benefit)	(133,885)	(120,452)	(147,963)	91,619	108,432	176,196	187,938
Income (loss) from continuing operations	\$ (240,512)	\$ (235,828)	\$ (294,486)	\$ 162,664	\$ 188,009	\$ 299,477	\$ 322,780

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	Nine Months Ended September 30,		Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
(in thousands, except share data)							
<b>Income (loss) from continuing operations per common share:</b>							
Basic	\$ (1.65)	\$ (1.61)	\$ (2.00)	\$ 1.12	\$ 1.29	\$ 1.96	\$ 2.08
Diluted	\$ (1.65)	\$ (1.61)	\$ (2.00)	\$ 1.11	\$ 1.28	\$ 1.96	\$ 2.06
<b>Weighted average number of common shares outstanding:</b>							
Basic	146,014	145,317	145,416	144,066	144,356	151,144	153,871
Diluted	146,014	145,317	145,416	145,376	145,303	151,699	155,304
<b>Cash dividends per common share</b>							
	\$ 0.14	\$ 0.30	\$ 0.40	\$ 0.40	\$ 0.20	\$ 0.20	\$ 0.20

	Nine Months Ended September 30,		Year Ended December 31,			
	2016	2015	2015	2014	2013	
(in thousands, except share data)						
<b>Consolidated statements of cash flow data:</b>						
Net Cash provided by (used in):						
Operating activities		\$ 252,706	\$ 806,039	\$ 999,437	\$ 728,726	\$ 888,871
Investing activities		(61,972)	(592,300)	(722,962)	(1,195,409)	(652,075)
Financing activities		(267,586)	(174,095)	(199,264)	260,729	(97,119)

	As of September 30,		As of December 31,				
	2016	2015	2015	2014	2013	2012	2011
(In thousands)							
<b>Consolidated balance sheets data:</b>							
Total assets	\$ 3,908,873	\$ 4,673,972	\$ 4,529,484	\$ 5,390,912	\$ 4,683,375	\$ 4,552,507	\$ 4,219,105
Borrowings under line of credit	15,000			303,000			110,000
Other long-term debt	598,351	811,220	787,900	667,029	678,873	688,188	379,831
Stockholders equity	2,324,126	2,631,097	2,561,131	2,905,810	2,755,997	2,640,657	2,516,631
Working Capital	43,902	110,078	178,887	340,816	454,498	340,220	346,365

**Summary Selected Consolidated Historical Financial Data of SSE**

The following table sets forth SSE's selected consolidated historical financial information that has been derived from (1) the consolidated financial statements of SSE and its predecessor, Chesapeake Oilfield Operating, L.L.C. (COO), as of and for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 and (2) SSE's consolidated financial statements as of and for the two months ended September 30, 2016, for the seven months ended July 31, 2016, and as of and for the nine months ended September 30, 2015. This consolidated financial data does not include the effects of the merger. You should read this financial information in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes thereto included in this joint proxy statement/prospectus under Information About SSE beginning on page 180. The selected statement of operations data and cash flow data for the year ended December 31, 2012 and selected balance sheet data as of December 31, 2013 and 2012 have been derived from SSE's audited consolidated financial statements for such years. See Where You Can Find More Information beginning on page 250.

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The historical combined financial statements of COO for periods and as of dates prior to its formation on October 25, 2011 were prepared on a carve-out basis from CHK and are intended to represent the financial results of CHK's oilfield services operations, which is COO's accounting predecessor, for the periods presented. The selected historical financial data is not necessarily indicative of results to be expected in future periods and does not necessarily reflect what SSE's financial position and results of operations would have been had SSE operated as an independent public company during periods prior to its spin-off from CHK.

On June 7, 2016 (the Petition Date), SSE and its subsidiaries (collectively the Debtors) filed voluntary petitions for relief (the Bankruptcy Petitions) under Chapter 11 of the United States Code (Chapter 11 or the Bankruptcy Code) in the United States Bankruptcy Court for the District of Delaware (the Bankruptcy Court), case number 16-11409. The Debtors continued to operate their business as debtors-in-possession under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. The subsidiary Debtors in these Chapter 11 cases were Seventy Seven Operating LLC, Seventy Seven Land Company LLC, Seventy Seven Finance Inc., Performance Technologies, L.L.C., PTL Prop Solutions, L.L.C., Western Wisconsin Sand Company, LLC, Nomac Drilling, L.L.C., SSE Leasing LLC, Keystone Rock & Excavation, L.L.C. and Great Plains Oilfield Rental, L.L.C., which represent all subsidiaries of SSE. On July 14, 2016, the Bankruptcy Court issued an order (the Confirmation Order) confirming the Joint Pre-packaged Plan of Reorganization (referred to, as amended and supplemented, as the Plan) of the Debtors. On August 1, 2016 (the Reorganization Effective Date), the Plan became effective pursuant to its terms and the Debtors emerged from their Chapter 11 cases.

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Upon emergence from bankruptcy, SSE adopted fresh-start accounting and became a new entity for financial reporting purposes. As a result of the application of fresh-start accounting and the effects of the implementation of the Plan, SSE's condensed consolidated financial statements on or after August 1, 2016 are not comparable with the financial statements prior to the Reorganization Effective Date. Subsequent to the Petition Date, all expenses, gains and losses directly associated with the reorganization are reported as Reorganization items, net in the accompanying statements of operations. References to Successor or Successor Company relate to SSE on and subsequent to August 1, 2016. References to Predecessor or Predecessor Company relate to SSE prior to August 1, 2016. References to Current Successor Quarter relate to the two months ended September 30, 2016 and Current Predecessor Quarter relate to the one month ended July 31, 2016. References to Current Predecessor Period relate to the seven months ended July 31, 2016, and Prior Predecessor Quarter and Prior Predecessor Period relate to the three and nine months ended September 30, 2015, respectively. All significant intercompany accounts and transactions within SSE have been eliminated. See Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 153. In addition, for more information with respect to the implementation of the Plan and subsequent emergence from Chapter 11 bankruptcy, see SSE's Current Report on Form 8-K filed on July 20, 2016 and SSE's Current Report on Form 8-K filed on August 4, 2016.

	Successor			Predecessor				
	Two Months Ended September 30, 2016	Seven Months Ended July 31, 2016	Nine Months Ended September 30, 2015	Years Ended December 31,				
				2015	2014	2013	2012	2011
	(in thousands, except per share data)							

<b>Income Statement Data:</b>								
Revenues	\$ 79,656	\$ 333,919	\$ 938,456	\$ 1,131,244	\$ 2,080,892	\$ 2,188,205	\$ 1,920,022	\$ 1,303,496
Operating Expenses:								
Operating costs(a)	63,628	237,014	731,627	855,870	1,580,353	1,717,709	1,390,786	986,239
Depreciation and amortization	31,208	162,425	226,779	295,421	292,912	289,591	231,322	175,790
General and administrative	16,601	66,667	95,436	112,141	108,139	80,354	66,360	37,074
Loss on sale of a business			34,989	35,027				
(Gains) losses on sales of property and equipment, net	(798)	848	15,023	14,656	(6,272)	(2,629)	2,025	(3,571)
Impairment of goodwill				27,434				
Impairments and other(b)		6,116	16,720	18,632	30,764	74,762	60,710	2,729

Total Operating Expenses	110,639	473,070	1,120,574	1,359,181	2,005,896	2,159,787	1,751,203	1,198,261
Operating (Loss) Income	(30,983)	(139,151)	(182,118)	(227,937)	74,996	28,418	168,819	105,235
Other (Expense) Income:								
Interest expense	(6,185)	(48,116)	(73,964)	(99,267)	(79,734)	(56,786)	(53,548)	(48,802)
Gains on early extinguishment of debt			18,061	18,061				
Income (Loss and impairment) from equity investees			877	(7,928)	(6,094)	(958)	(361)	
Other income (expense)	886	2,318	1,889	3,052	664	1,758	1,543	(2,464)
Reorganization items, net	(246)	(29,892)						
Total Other Expense	(5,545)	(75,690)	(53,137)	(86,082)	(85,164)	(55,986)	(52,366)	(51,266)
(Loss) Income Before Income Taxes	(36,528)	(214,841)	(235,255)	(314,019)	(10,168)	(27,568)	116,453	53,969
Income Tax (Benefit) Expense		(59,131)	(74,455)	(92,628)	(2,189)	(7,833)	46,877	26,279
Net (Loss) Income	\$ (36,528)	\$ (155,710)	\$ (160,800)	\$ (221,391)	\$ (7,979)	\$ (19,735)	\$ 69,576	\$ 27,844
(Loss) Earnings Per Common Share(c):								
Basic	\$ (1.66)	\$ (2.84)	\$ (3.24)	\$ (4.42)	\$ (0.17)	\$ (0.42)	\$ 1.48	\$ 0.59
Diluted	\$ (1.66)	\$ (2.84)	\$ (3.24)	\$ (4.42)	\$ (0.17)	\$ (0.42)	\$ 1.48	\$ 0.59

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	Successor			Predecessor				
	Two Months Ended September 30, 2016	Seven Months Ended July 31, 2016	Nine Months Ended September 30, 2015	2015	Years Ended December 31, 2014 2013 2012 2011			
(in thousands, except per share data)								
<b>Cash Flow Data:</b>								
Cash flows provided by (used in) operations	\$ (7,752)	\$ 6,469	\$ 263,662	\$ 284,106	\$ 265,296	\$ 337,071	\$ 211,151	\$ 240,046
Cash flows used in investing activities	\$ (2,278)	\$ (80,126)	\$ (114,904)	\$ (159,667)	\$ (367,646)	\$ (296,817)	\$ (577,324)	\$ (658,470)
Cash flows provided by (used in) financing activities	\$ (4,716)	\$ (19,241)	\$ 6,570	\$ 5,318	\$ 101,563	\$ (39,803)	\$ 366,870	\$ 418,584
<b>Other Financial Data:</b>								
Capital expenditures	\$ 6,100	\$ 82,787	\$ 151,799	\$ 205,706	\$ 457,618	\$ 349,806	\$ 622,825	\$ 752,715

- a) Historical operating costs include the effect of \$18.9 million, \$76.9 million and \$100.8 million of rig rent expense associated with SSE's lease of drilling rigs for the years December 31, 2014, 2013 and 2012, respectively. As of December 31, 2014, SSE had purchased all rigs that were subject to these lease arrangements.
- b) SSE recorded impairments of long-lived assets of \$18.6 million for the year ended December 31, 2015. SSE recorded impairments of long-lived assets and lease termination costs of \$21.1 million and \$9.7 million, respectively, for the year ended December 31, 2014. SSE recorded impairments of long-lived assets and lease termination costs of \$52.4 million and \$22.4 million, respectively, for the year ended December 31, 2013.
- c) On June 30, 2014 SSE distributed 46,932,433 shares of its common stock to CHK shareholders in conjunction with the spin-off. For comparative purposes, and to provide a more meaningful calculation for weighted average shares, SSE has assumed this amount to be outstanding for periods prior to the spin-off.

	Successor		Predecessor				
	As of September 30, 2016	As of September 30, 2015	2015	As of December 31, 2014 2013 2012 2011			
(in thousands)							
<b>Balance Sheet Data:</b>							

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Cash	\$ 23,004	\$ 156,219	\$ 130,648	\$ 891	\$ 1,678	\$ 1,227	\$ 530
Property and equipment, net	\$ 791,463	\$ 1,576,086	\$ 1,530,420	\$ 1,767,053	\$ 1,497,476	\$ 1,581,519	\$ 1,247,817
Total assets	\$ 972,953	\$ 2,028,369	\$ 1,902,618	\$ 2,290,293	\$ 2,015,845	\$ 2,106,870	\$ 1,582,660
Long-term debt, less current maturities	\$ 423,347	\$ 1,589,500	\$ 1,564,592	\$ 1,572,241	\$ 1,043,952	\$ 1,055,559	\$ 664,524
Total equity	\$ 478,460	\$ 170,102	\$ 118,840	\$ 291,023	\$ 547,192	\$ 596,817	\$ 548,896

**Summary Selected Unaudited Pro Forma Condensed Combined Financial Information**

The following selected unaudited pro forma condensed combined statements of operations data for the year ended December 31, 2015 and for the nine months ended September 30, 2016 have been prepared to give effect to the merger as if it had occurred on January 1, 2015. The unaudited pro forma condensed combined balance sheet data at September 30, 2016 have been prepared to give effect to the merger as if it had occurred on September 30, 2016. The following selected unaudited pro forma condensed combined financial information should be read in conjunction with the section titled "Unaudited Pro Forma Condensed Combined Financial Statements" and related notes included in this joint proxy statement/prospectus beginning on page 153.

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The unaudited pro forma financial statements have been prepared using the acquisition method of accounting for business combinations under U.S. GAAP, with Patterson-UTI treated as the accounting acquirer. Under the acquisition method of accounting, Patterson-UTI will record all assets acquired and liabilities assumed at their respective acquisition date fair values upon the merger closing date. The acquisition method of accounting is dependent upon certain valuations and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measure. The sources and amounts of merger transaction expenses may also differ from those assumed in the following pro forma adjustments. Accordingly, the pro forma adjustments are preliminary, they have been made solely for the purpose of providing pro forma financial statements, and they are subject to revision based on a final determination of fair value as of the date of acquisition. Differences between these preliminary estimates and the final acquisition accounting may have a material impact on the accompanying pro forma financial statements and the combined company's future results of operations and financial position.

The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and are not intended to represent or be indicative of what the combined company's financial position or results of operations would have been had the merger been completed as of the dates presented herein. In addition, the unaudited pro forma condensed combined financial statements should not be taken as representative of the future results of operations or financial position of the combined company. The unaudited pro forma condensed combined financial statements do not reflect the impacts of any potential operational efficiencies, asset dispositions, revenue enhancements, cost savings or economies of scale that the combined company may achieve as a result of the merger.

	<b>Year Ended December 31, 2015</b>	<b>Nine months Ended September 30, 2016</b>
	<b>(in thousands, except per share amounts)</b>	
<b>Pro Forma Condensed Combined Statement of Operations Information:</b>		
Revenue	\$ 3,022,502	\$ 1,082,554
Loss from continuing operations attributable to Patterson-UTI/SSE	(341,262)	(329,767)
Loss per share from continuing operations attributable to Patterson-UTI/SSE, basic	(1.75)	(1.69)
Loss per share from continuing operations attributable to Patterson-UTI/SSE, diluted	(1.75)	(1.69)

	<b>As of September 30, 2016 (in thousands)</b>
<b>Pro Forma Condensed Combined Balance Sheet Information:</b>	
Cash and cash equivalents	\$ 59,976
Total assets	5,781,912
Long-term debt	995,373
Stockholders' equity	3,670,409



**Table of Contents****Unaudited Comparative Per Share Data**

The following table sets forth certain historical net loss per share of Patterson-UTI and SSE and per share book value information on an unaudited pro forma condensed combined basis after giving effect to the merger.

Historical per share data of Patterson-UTI for the year ended December 31, 2015 and the nine months ended September 30, 2016 was derived from Patterson-UTI's historical financial statements for the respective periods. Historical per share data of SSE for the year ended December 31, 2015 and the nine months ended September 30, 2016 was derived from SSE's historical financial statements for the respective periods. This information should be read together with the consolidated financial statements and related notes of SSE that are included in this joint proxy statement/prospectus and the consolidated financial statements and related notes of Patterson-UTI that are incorporated into this joint proxy statement/prospectus by reference. See [Where You Can Find More Information](#) beginning on page 250.

Unaudited pro forma combined per share data for the year ended December 31, 2015 and the nine months ended September 30, 2016 was derived and should be read in conjunction with the unaudited pro forma condensed combined financial data included under [Unaudited Pro Forma Condensed Combined Financial Statements](#) beginning on page 153. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the combined company's operating results or financial position had the merger occurred on January 1, 2015. The equivalent pro forma per share information was derived by multiplying the combined company pro forma per share information by the merger exchange ratio of 1.7725.

	<b>Year Ended December 31, 2015</b>	<b>Two Months Ended September 30, 2016</b>	<b>Seven Months Ended July 31, 2016</b>	<b>Nine Months Ended September 30, 2016</b>
<b>Historical Patterson-UTI:</b>				
Net loss per share				
Basic	\$ (2.00)			\$ (1.65)
Diluted	\$ (2.00)			\$ (1.65)
Cash dividends per share(1)	\$ 0.40			\$ 0.14
Net book value per share	\$ 17.40			\$ 15.69
<b>Historical SSE Successor:</b>				
Net loss per share				
Basic		\$ (1.66)		
Diluted		\$ (1.66)		
Cash dividends per share(1)(2)		\$		
Net book value per share		\$ 21.47		
<b>Historical SSE Predecessor:</b>				
Net loss per share				
Basic	\$ (4.42)		\$ (2.84)	
Diluted	\$ (4.42)		\$ (2.84)	
Cash dividends per share(1)(2)	\$		\$	
Net book value per share	\$ 2.00			
<b>Equivalent Pro Forma SSE:</b>				

Net loss per share			
Basic	\$	(3.10)	\$ (2.99)
Diluted	\$	(3.10)	\$ (2.99)
Cash dividends per share(1)(2)	\$	0.71	\$ 0.25
Net book value per share			\$ 33.27
<b>Pro Forma Combined:</b>			
Net loss per share			
Basic	\$	(1.75)	\$ (1.69)
Diluted	\$	(1.75)	\$ (1.69)
Cash dividends per share(1)(2)	\$	0.40	\$ 0.14
Net book value per share-diluted			\$ 18.77

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- (1) The merger agreement prohibits Patterson-UTI and SSE (unless consented to in advance by the other, which consent may not be unreasonably withheld, delayed or conditioned, or in the case of Patterson-UTI, unless such dividend does not exceed \$0.02 per share) from paying dividends to their respective stockholders until the earlier of the effective time of the merger and the termination of the merger agreement in accordance with its terms.
- (2) Since its spin-off, SSE has not declared any dividends and does not anticipate declaring or providing any cash dividends to holders of SSE common stock in the foreseeable future.

**Table of Contents****Comparative Market Prices**

The following table shows the closing sale prices of Patterson-UTI common stock as reported on the NASDAQ and SSE common stock as reported on the OTC Grey as of December 12, 2016, the last full trading day before public announcement of the merger, and as of \_\_\_\_\_, 2017 the last trading day for which this information could be calculated prior to the date of this joint proxy statement/prospectus.

	<b>Patterson-UTI Common Stock</b>	<b>SSE Common Stock</b>	<b>SSE Equivalent Per Share(1)</b>
December 12, 2016	\$ 28.67	\$ 26.35	\$ 50.82
_____, 2017	\$	\$	\$

- (1) The equivalent per share data for SSE common stock has been determined by multiplying the market price of one share of Patterson-UTI common stock on each of the dates by the exchange ratio of 1.7725. Such exchange ratio has been calculated assuming that all outstanding Series A warrants of SSE are exercised for cash, no other warrants are exercised, no other shares of SSE are issued prior to closing and certain other assumptions set forth in Example 1 of Annex B of this joint proxy statement/prospectus.

*The market price of Patterson-UTI common stock and SSE common stock will fluctuate prior to the merger.*

*Patterson-UTI stockholders and SSE stockholders are urged to obtain current market quotations for the shares prior to making any decision with respect to the merger.*

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus contain forward-looking statements within the meaning of the federal securities laws that are not limited to historical facts, but reflect Patterson-UTI's and/or SSE's current beliefs, expectations or intentions regarding future events. Statements in this joint proxy statement/prospectus and the documents incorporated by reference herein that are not historical facts are hereby identified as forward-looking statements for the purpose of the safe harbor provided by Section 21E of the Exchange Act, and Section 27A of the Securities Act. Words such as may, will, could, should, expect, plan, project, intend, anticipate, believe, estimate, predict, potential, pursue, and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, Patterson-UTI's and SSE's expectations with respect to the synergies, costs and other anticipated financial impacts of the proposed transaction; future financial and operating results of the combined company; the combined company's plans, objectives, expectations and intentions with respect to future operations and services; approval of the proposed transaction by stockholders; the satisfaction of the closing conditions to the proposed transaction; and the timing of the completion of the proposed transaction.

Although Patterson-UTI and SSE believe the expectations reflected in such forward-looking statements are reasonable, such expectations may not occur. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the combined company to be materially different from actual future results expressed or implied by the forward-looking statements. These risks and uncertainties also include those set forth under Risk Factors, beginning on page 35, as well as, among others, risks and uncertainties relating to:

The receipt of approval of both Patterson-UTI's and SSE's stockholders;

The time required to complete the merger;

Uncertainty as to whether the conditions to closing the merger will be satisfied or whether the merger will be completed;

The diversion of management time on merger-related issues;

The ultimate timing, outcome and results of integrating the operations of Patterson-UTI and SSE;

The effects of the business combination of Patterson-UTI and SSE, including the combined company's future financial condition, results of operations, strategy and plans;

Potential adverse reactions or changes to business relationships resulting from the announcement or completion of the merger;

Expected benefits from the merger and the ability of Patterson-UTI to realize those benefits;

Expectations regarding regulatory approval of the merger;

Whether merger-related litigation will occur and, if so, the results of any litigation, settlements and investigations;

Potential triggering of change of control provisions in certain agreements to which SSE is a party;

Availability of capital and the ability to repay indebtedness when due;

Volatility in customer spending and in oil and natural gas prices that could adversely affect demand for our services and their associated effect on rates;

Loss of key customers;

Utilization, margins and planned capital expenditures;

Interest rate volatility;

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Compliance with covenants under Patterson-UTI's debt agreements;

Excess availability of land drilling rigs and pressure pumping equipment, including as a result of reactivation or construction;

Equipment specialization and new technologies;

Operating hazards attendant to the natural gas and oil business;

Failure by customers to pay or satisfy their contractual obligations (particularly with respect to fixed term contracts);

Difficulty in building and deploying new equipment;

Expansion and development trends of the oil and gas industry;

Weather;

Shortages, delays in delivery and interruptions in supply of equipment, supplies and materials;

The ability to retain management and field personnel;

The ability to effectively identify and enter new markets;

The ability to realize backlog;

Strength and financial resources of competitors;

Environmental risks and ability to satisfy future environmental costs;

Global economic conditions;

Operating costs;

Competition and demand for our services;

Liabilities from operations for which Patterson-UTI or SSE, as applicable, do not have and receive full indemnification or insurance;

Governmental regulation;

Ability to obtain insurance coverage on commercially reasonable terms;

Financial flexibility; and

Other financial, operational and legal risks and uncertainties detailed from time to time in either Patterson-UTI's or SSE's SEC filings.

Patterson-UTI and SSE caution that the foregoing list of factors is not exclusive. Additional information concerning these and other risk factors is contained in Patterson-UTI's most recently filed Annual Reports on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K and other SEC filings. The forward-looking statements speak only as of the date made and, other than as required by law, neither Patterson-UTI nor SSE undertake any obligation to update publicly or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise. In the event that a party does update any forward-looking statement, no inference should be made that the parties will make additional updates with respect to that statement, related matters or any other forward-looking statements. All subsequent written and oral forward-looking statements concerning Patterson-UTI, SSE, the proposed transaction or other matters and attributable to Patterson-UTI or SSE or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above.

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**RISK FACTORS**

*In addition to the other information included and incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in the section titled **Special Note Regarding Forward-Looking Statements**, you should carefully consider the following risks before deciding whether to vote for any of the proposals described in this joint proxy statement/prospectus. In addition, you should read and consider the risks associated with each of the businesses of Patterson-UTI and SSE because these risks will also affect the combined company following the merger. The risks related to Patterson-UTI's business can be found in its Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as those risks may be updated or supplemented in its subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, to the extent incorporated by reference into this joint proxy statement/prospectus. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See the section titled **Where You Can Find More Information** beginning on page 250.*

**Risk Factors Relating to the Merger**

***The exchange ratio will not be adjusted in the event of any change in either Patterson-UTI's or SSE's stock price.***

At the effective time, each share of SSE common stock outstanding immediately prior to the effective time, other than shares owned by SSE and its wholly owned subsidiaries, shares owned by Patterson-UTI or Merger Sub and shares for which appraisal rights held by SSE stockholders have been perfected, will be converted into the right to receive a number of shares of Patterson-UTI common stock equal to the exchange ratio. This exchange ratio will not be adjusted for changes in the market price of either Patterson-UTI common stock or SSE common stock between the date of signing the merger agreement and completion of the merger. Changes in the price of Patterson-UTI common stock prior to the merger will affect the value of Patterson-UTI common stock that SSE common stockholders will receive on the date of the merger. Stock price changes may result from a variety of factors (many of which are out of our control), including the following:

changes in the respective businesses, operations and prospects of Patterson-UTI and SSE;

changes in market assessments of the business, operations and prospects of either company;

investor behavior and strategies, including market assessments of the likelihood that the merger will be completed, including related considerations regarding regulatory clearance of the merger;

interest rates, general market and economic conditions and other factors generally affecting the price of Patterson-UTI's and SSE's common stock; and

federal, state and local legislation, governmental regulation and legal developments in the businesses in which Patterson-UTI and SSE operate.

The prices of Patterson-UTI common stock and SSE common stock at the closing of the merger may vary from their prices on the date the merger agreement was executed, on the date of this joint proxy statement/prospectus and on the

date of each stockholders meeting. As a result, the value represented by the exchange ratio will also vary, and you will not know or be able to calculate at the time of the special meetings the market value of the merger consideration you will receive upon completion of the merger. For example, based on the closing price of Patterson-UTI common stock during the period from December 12, 2016, the last trading day before public announcement of the merger, through \_\_\_\_\_, the latest practicable trading date before the date of this joint proxy statement/prospectus and assuming the issuance of 49,559,000 shares of Patterson-UTI common stock in the merger, the exchange ratio represented a value ranging from a high of \$ \_\_\_\_\_ to a low of \$ \_\_\_\_\_ for each share of SSE common stock.

In addition, the merger might not be completed until a significant period of time has passed after the respective special stockholder meetings. Because the exchange ratio will not be adjusted to reflect any changes in

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the market value of Patterson-UTI common stock or SSE common stock, the market value of the Patterson-UTI common stock issued in connection with the merger and the SSE common stock surrendered in connection with the merger may be higher or lower than the values of those shares on earlier dates. Stock price changes may result from, among other things, changes in the business, operations or prospects of Patterson-UTI or SSE prior to or following the merger, litigation or regulatory considerations, general business, market, industry or economic conditions and other factors both within and beyond the control of Patterson-UTI and SSE. Neither Patterson-UTI nor SSE is permitted to terminate the merger agreement solely because of changes in the market price of either company's common stock.

***The exchange ratio may be reduced upon the occurrence of certain events.***

The number of shares of Patterson-UTI issuable as merger consideration is subject to reduction if holders of Series A warrants to purchase SSE common stock fail to exercise their warrants in full by tendering the cash exercise price to SSE prior to closing. If any Series A warrants are not exercised or are exercised using a net share settlement feature, the aggregate number of shares of Patterson-UTI common stock issued as merger consideration will be reduced to reflect the loss of the cash proceeds that would be received by SSE if all of the Series A warrants were exercised for cash.

In addition, the exchange ratio will be affected by the aggregate number of shares of SSE common stock outstanding or deemed to be outstanding as of immediately prior to the effective time, which includes (i) shares of SSE common stock outstanding as a result of the exercise of warrants to acquire SSE common stock, (ii) shares of SSE common stock deemed outstanding as a result of the vesting of SSE restricted stock unit awards that existed prior to the execution of the merger agreement, (iii) any shares of SSE common stock subject to perfected appraisal rights, (iv) shares of SSE common stock that underlie restricted stock unit awards that SSE issues on or after the execution of the merger agreement and (v) 50% of shares of SSE common stock tendered to SSE on or after August 1, 2016 for purposes of satisfying tax withholding obligations upon the vesting of restricted stock unit awards.

These factors could reduce the number of shares of Patterson-UTI common stock that a holder of SSE common stock will receive in the merger. Annex B of this joint proxy statement/prospectus sets forth illustrative calculations of the exchange ratio.

***The market value of Patterson-UTI common stock could be negatively affected by risks and conditions that apply to Patterson-UTI, which may be different from the risks and conditions applicable to SSE, and Patterson-UTI stockholders will have different rights than SSE stockholders.***

Following the merger, stockholders of Patterson-UTI and former stockholders of SSE will own interests in a combined company operating an expanded business with more assets and a different mix of liabilities. The business of Patterson-UTI and its subsidiaries and other companies it may acquire in the future are different from those of SSE. There is a risk that various factors, conditions and developments that would not affect the price of SSE common stock could negatively affect the price of Patterson-UTI common stock. Current stockholders of Patterson-UTI and SSE may not wish to continue to invest in the combined company, or may wish to reduce their investment in the combined company, including in order to comply with institutional investing guidelines, to increase diversification, to track any rebalancing of stock indices in which Patterson-UTI common stock is included, to respond to the risk profile of the combined company or to realize a gain. In addition, if, following the merger, large amounts of Patterson-UTI common stock are sold, the price of its common stock could decline.

Holders of shares of Patterson-UTI common stock will have rights as Patterson-UTI stockholders that differ from the rights they had as SSE stockholders before the merger. For a detailed comparison of the rights of Patterson-UTI stockholders to the rights of SSE stockholders, see [Comparison of Stockholder Rights](#) beginning on page 166.



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***Current Patterson-UTI stockholders will have a reduced ownership and voting interest in the combined company after the merger.***

Patterson-UTI will issue up to 49,559,000 shares of Patterson-UTI common stock to SSE stockholders in the merger. As a result of these issuances, SSE stockholders are expected to hold up to approximately 25% of the combined company's outstanding common stock immediately following completion of the merger.

Patterson-UTI stockholders currently have the right to vote for their respective directors and on other matters affecting the applicable company. Each Patterson-UTI stockholder will remain a stockholder of Patterson-UTI with a percentage ownership of the combined company that will be smaller than the stockholder's percentage of Patterson-UTI prior to the merger. As a result of these reduced ownership percentages, Patterson-UTI stockholders will have less voting power in the combined company than they now have with respect to Patterson-UTI.

***The merger is subject to conditions, including certain conditions that may not be satisfied, or completed on a timely basis, if at all.***

The merger is subject to a number of conditions beyond Patterson-UTI's and SSE's control that may prevent, delay or otherwise materially adversely affect its completion. We cannot predict whether and when these conditions will be satisfied. Any delay in completing the merger could cause the combined company not to realize some or all of the benefits that we expect to achieve if the merger is successfully completed within its expected time frame. See "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 138.

***Failure to complete the merger could negatively impact the future business and financial results of Patterson-UTI and SSE.***

Neither Patterson-UTI nor SSE can make any assurances that it will be able to satisfy all of the conditions to the merger or succeed in any litigation brought in connection with the merger. If the merger is not completed, the financial results of Patterson-UTI and/or SSE may be adversely affected and Patterson-UTI and/or SSE will be subject to several risks, including but not limited to:

SSE being required to pay Patterson-UTI a termination fee of \$40,000,000 or Patterson-UTI being required to pay SSE a termination fee of either \$40,000,000 or \$100,000,000, in each case under certain circumstances provided in the merger agreement;

payment of costs relating to the merger, such as legal, accounting, financial advisor and printing fees, regardless of whether the merger is completed;

the focus of each company's management team on the merger instead of the pursuit of other opportunities that could have been beneficial to each company; and

the potential occurrence of litigation related to any failure to complete the merger.

In addition, if the merger is not completed, Patterson-UTI and/or SSE may experience negative reactions from the financial markets and from their respective customers and employees. If the merger is not completed, SSE and

Patterson-UTI cannot assure their stockholders that these risks will not materialize and will not materially and adversely affect the business, financial results and stock prices of SSE or Patterson-UTI.

***The merger agreement contains provisions that limit each party's ability to pursue alternatives to the merger, could discourage a potential competing acquiror of either Patterson-UTI or SSE from making a favorable alternative transaction proposal and, in specified circumstances, could require either party to pay a termination fee to the other party.***

The merger agreement contains non-solicitation provisions that, subject to limited exceptions, restrict SSE's and Patterson-UTI's ability to, among other things, directly or indirectly solicit, initiate, facilitate,

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knowingly encourage or induce or take any action that could be reasonably expected to lead to the making, submission or announcement of a proposal competing with the transactions contemplated by the merger agreement. In addition, while the board of directors of SSE and Patterson-UTI each have the ability, in certain circumstances, to change its recommendation of the transaction to their respective stockholders, neither party can terminate the merger agreement to accept an alternative proposal, and the other party generally has an opportunity to modify the terms of the merger and the merger agreement in response to any alternative proposals that may be made before such board of directors may withdraw or modify its recommendation. Moreover, in certain circumstances, SSE or Patterson-UTI may be required to pay up to \$7,500,000 of the other party's expenses, SSE may be required to pay Patterson-UTI a termination fee of \$40,000,000, or Patterson-UTI may be required to pay SSE a termination fee of either \$40,000,000 or \$100,000,000. See *The Merger Agreement – No Solicitation of Competing Proposals* beginning on page 131, *The Merger Agreement – Termination of the Merger Agreement* beginning on page 140 and *The Merger Agreement – Termination Fees and Expenses* beginning on page 142.

These provisions could discourage a potential third party that might have an interest in acquiring all or a significant portion of SSE or Patterson-UTI from considering or proposing that acquisition, even if it were prepared to pay consideration with a higher per share cash or market value than the market value proposed to be received or realized in the merger. In addition, these provisions might result in a potential third party acquirer proposing to pay a lower price to the stockholders than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances.

If the merger agreement is terminated and either Patterson-UTI or SSE determines to seek another business combination, it may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the merger.

***SSE's directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of SSE stockholders generally.***

SSE's directors and executive officers have financial interests in the merger that may be different from, or in addition to, the interests of the SSE stockholders generally. The members of the SSE board of directors were aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending to SSE's stockholders that the merger agreement be approved. These interests include, among others: (i) each SSE executive officer is a party to an employment agreement with SSE that could provide that executive with potential compensation and benefits in the event the executive is involuntarily terminated in connection with the merger, (ii) SSE's directors and executive officers hold equity compensation plan awards under the SSE Incentive Plan, the vesting of which awards will be accelerated as a result of the merger, in accordance with the terms of those awards and the merger agreement, and (iii) SSE's directors and executive officers are entitled to continued indemnification and insurance coverage under the merger agreement. See *The Merger – Interests of SSE Directors and Executive Officers in the Merger* beginning on page 109 for more information. In addition, the SSE board of directors has adopted a resolution providing that the disposition of SSE shares by SSE's officers and directors in exchange for Patterson-UTI shares in the merger is intended to be exempt from liability pursuant to Section 16(b) of the Exchange Act.

***Completion of the merger may trigger change in control or other provisions in certain agreements to which SSE is a party.***

The completion of the merger may trigger change in control or other provisions in certain agreements to which SSE is a party. If Patterson-UTI and SSE are unable to negotiate waivers of those provisions, the counterparties may exercise their rights and remedies under the agreements, potentially terminating the agreements or seeking monetary damages.

Even if Patterson-UTI and SSE are able to negotiate waivers, the counterparties may require a fee for such waivers or seek to renegotiate the agreements on terms less favorable to SSE or the combined company.

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***Patterson-UTI and SSE may be unable to obtain the regulatory clearances and approvals required to complete the merger or, in order to do so, Patterson-UTI and SSE may be required to comply with material restrictions or conditions.***

Under the HSR Act, neither Patterson-UTI nor SSE may complete the merger until required information and materials are furnished to the U.S. Department of Justice ( DOJ ) and the Federal Trade Commission ( FTC ), and the applicable waiting period under the HSR Act terminates or expires. On January 3, 2017, Patterson-UTI and SSE filed the requisite notification and report forms under the HSR Act with the DOJ and the FTC. On January 13, 2017, Patterson-UTI and SSE were notified by the FTC that the early termination of the waiting period under the HSR Act had been granted.

The merger may also be subject to the regulatory requirements of other municipal, state, federal, or foreign governmental agencies and authorities. Regulatory entities may impose certain requirements or obligations as conditions for their approval or in connection with their review.

The merger agreement may require Patterson-UTI and SSE to accept conditions from these regulators that could adversely impact the combined company without either of them having the right to refuse to close the merger on the basis of those regulatory conditions. Neither Patterson-UTI nor SSE can provide any assurance that they will obtain the necessary clearances or approvals, or that any required conditions will not have a material adverse effect on the combined company following the merger or result in the abandonment of the merger.

Additionally, even after the above-described statutory waiting periods have expired, and even after completion of the merger, governmental authorities could seek to challenge the merger. Patterson-UTI or SSE may not prevail and may incur significant costs in defending or settling any action under the antitrust laws.

***The pendency of the merger could adversely affect the business and operations of Patterson-UTI and SSE.***

In connection with the pending merger, some customers or vendors of each of Patterson-UTI and SSE may delay or defer decisions, which could negatively affect the revenues, earnings, cash flows and expenses of Patterson-UTI and SSE, regardless of whether the merger is completed. Similarly, current and prospective employees of Patterson-UTI and SSE may experience uncertainty about their future roles with SSE following the merger, which may materially adversely affect the ability of each of Patterson-UTI and SSE to attract, retain and motivate key personnel during the pendency of the merger and which may materially adversely divert attention from the daily activities of Patterson-UTI s and SSE s existing employees.

In addition, due to operating covenants in the merger agreement, each of Patterson-UTI and SSE may be unable, during the pendency of the merger, to pursue strategic transactions, undertake significant capital projects, undertake certain significant financing transactions and otherwise pursue other actions that are not in the ordinary course of business, even if such actions would prove beneficial to Patterson-UTI or SSE, as applicable. Further, the process of seeking to accomplish the merger could also divert the focus of management of either company from pursuing other opportunities that could be beneficial to it, without realizing any of the benefits which might have resulted had the merger been completed.

***Patterson-UTI may repay at closing the outstanding indebtedness of SSE with funds obtained through the issuance of Patterson-UTI common stock, which may depress the share price of Patterson-UTI common stock.***

Patterson-UTI may issue shares of Patterson-UTI common stock to help fund the repayment of SSE s outstanding indebtedness at closing. The potential issuance of such additional shares of Patterson-UTI common stock will result in

the dilution of the ownership interests of the holders of Patterson-UTI common stock and may create downward pressure on the trading price of Patterson-UTI common stock.

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***If the merger does not qualify as a reorganization within the meaning of Section 368(a) of the Code, the stockholders of SSE may be required to pay substantial U.S. federal income taxes.***

As a condition to the completion of the merger, each of SSE and Patterson-UTI will have received a tax opinion from its respective counsel described in the section titled "The Merger Agreement - Conditions to Completion of the Merger," dated as of the closing date, that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. These opinions will be based on customary assumptions and representations from SSE and Patterson-UTI, as well as certain covenants and undertakings by Patterson-UTI and SSE. If any of the representations, assumptions, covenants or undertakings upon which the opinions are based is incorrect, incomplete, inaccurate or violated, the validity of the opinions may be affected and the tax consequences of the merger could differ from those described in this joint proxy statement/prospectus. An opinion of counsel represents such counsel's best legal judgment but is not binding on the IRS or any court. Neither Patterson-UTI nor SSE intends to obtain a ruling from the IRS with respect to the tax consequences of the merger. Accordingly, there can be no assurances that the IRS will not assert, or that a court will not sustain, a position contrary to that contained in such opinions. If the IRS or a court determines that the merger should not be treated as a "reorganization" within the meaning of Section 368(a) of the Code, upon the exchange of SSE common stock for Patterson-UTI common stock pursuant to the merger, a holder of SSE common stock generally would recognize taxable gain or loss as if it sold its shares of SSE common stock. See "Material U.S. Federal Income Tax Consequences" beginning on page 149.

**Risk Factors Relating to the Combined Company Following the Merger**

***The combined company's debt may limit its financial flexibility.***

As of January 20, 2017, Patterson-UTI had \$10 million outstanding under its credit facility and a total of \$600 million in principal amount of senior notes outstanding. In connection with consummation of the merger, Patterson-UTI may fund all or a portion of the repayment of SSE's outstanding indebtedness through borrowings under its existing credit facility, through the use of the senior unsecured bridge financing commitment or through other debt or equity financings. As of January 20, 2017, SSE had a total of \$473.25 million in principal amount of term loans outstanding and no outstanding borrowings under its credit facility. In addition, the combined company may incur additional debt from time to time in connection with the financing of operations, acquisitions, recapitalizations and refinancings. The level of the combined company's debt could have several important effects on future operations, including, among others:

a significant portion of the combined company's income from operations may be applied to the payment of principal and interest on the debt and will not be available for other purposes;

covenants contained in the combined company's existing and future debt arrangements may require the combined company to meet financial tests that may affect its flexibility in planning for and reacting to changes in its business, including possible acquisition opportunities;

the combined company's ability to obtain additional financing for capital expenditures, acquisitions, general corporate and other purposes may be limited or burdened by increased costs or more restrictive covenants;

the combined company may not be able to refinance or extend the term of the existing debt on favorable terms or at all which would have a material effect on its ability to continue operations;

the combined company may be at a competitive disadvantage to similar companies that have less debt;

the combined company's vulnerability to adverse economic and industry conditions may increase; and

the combined company may face limitations on its flexibility to plan for and react to changes in its business and the industries in which it operates.

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***The failure to integrate successfully the businesses of Patterson-UTI and SSE in the expected timeframe would adversely affect the combined company's future results following the merger.***

The merger involves the integration of two companies that currently operate independently. The success of the merger will depend in large part on the ability of the combined company to realize the anticipated benefits, including cost savings, innovation and operational efficiencies, from combining the businesses of Patterson-UTI and SSE. To realize these anticipated benefits, the businesses of Patterson-UTI and SSE must be successfully integrated. This integration will be complex and time-consuming. The failure to integrate successfully and to manage successfully the challenges presented by the integration process may result in the combined company not achieving the anticipated benefits of the merger.

Potential difficulties that may be encountered in the integration process include the following:

integrating the businesses of Patterson-UTI and SSE in a manner that permits the combined company to achieve the full benefit of synergies, cost savings and operational efficiencies that are anticipated to result from the merger;

complexities associated with managing the larger, more complex combined business;

complexities associated with integrating the workforces of the two companies;

potential unknown liabilities and unforeseen expenses, delays or regulatory conditions associated with the merger, including one-time cash costs to integrate the two companies that may exceed the anticipated range of such one-time cash costs that Patterson-UTI and SSE estimated as of the date of execution of the merger agreement;

difficulty or inability to refinance the debt of the combined company or comply with the covenants thereof;

performance shortfalls at one or both of the companies as a result of the diversion of management's attention caused by completing the merger and integrating the companies operations; and

the disruption of, or the loss of momentum in, each company's ongoing business or inconsistencies in standards, controls, systems, procedures and policies.

Any of these difficulties in successfully integrating the businesses of Patterson-UTI and SSE, or any delays in the integration process, could adversely affect the combined company's ability to achieve the anticipated benefits of the merger and could adversely affect the combined company's business, financial results, financial condition and stock price. Even if the combined company is able to integrate the business operations of Patterson-UTI and SSE successfully, there can be no assurance that this integration will result in the realization of the full benefits of synergies, cost savings, innovation and operational efficiencies that Patterson-UTI and SSE currently expect from this

integration or that these benefits will be achieved within the anticipated time frame.

***The future results of the combined company will suffer if the combined company does not effectively manage its expanded operations following the merger.***

Following the merger, the size of the business of the combined company will increase significantly beyond the current size of either Patterson-UTI's or SSE's business. The combined company's future success depends, in part, upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. There can be no assurances that the combined company will be successful or that it will realize the expected operating efficiencies, cost savings, revenue enhancements and other benefits currently anticipated from the merger.

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**Table of Contents*****The combined company is expected to incur substantial expenses related to the merger and the integration of Patterson-UTI and SSE.***

The combined company is expected to incur substantial expenses in connection with the merger and the integration of Patterson-UTI and SSE. There are a large number of processes, policies, procedures, operations, technologies and systems that must be integrated, including accounting and finance, asset management, benefits, billing, drilling and pressure pumping data solutions, health, safety and environment, human resources, maintenance, marketing, payroll and purchasing. While Patterson-UTI and SSE have assumed that a certain level of expenses will be incurred, there are many factors beyond their control that could affect the total amount or the timing of the integration expenses. Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These expenses could, particularly in the near term, exceed the savings that the combined company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings. These integration expenses could result in the combined company's taking charges against earnings following the completion of the merger, and the amount and timing of any such charges are uncertain at present.

***The unaudited prospective financial information for Patterson-UTI and SSE included in this joint proxy statement/prospectus reflect management estimates and may not prove to be reflective of actual future results.***

In connection with the merger, Patterson-UTI and SSE prepared and considered, among other things, certain internal, unaudited prospective financial information for Patterson-UTI and SSE, respectively. This unaudited prospective financial information included assumptions regarding future operating cash flows, expenditures and growth of Patterson-UTI and SSE. This internal, unaudited prospective financial information speaks only as of the date made and, except as required by applicable securities laws, will not be updated. This unaudited prospective financial information is subject to significant economic, competitive, industry and other uncertainties, including the factors described under Risk Factors beginning on page 35 and Special Note Regarding Forward-Looking Statements beginning on page 33, which factors and uncertainties may cause the unaudited prospective financial information or the underlying assumptions to be inaccurate. As a result of these contingencies, there can be no assurance that the unaudited prospective financial information of Patterson-UTI and SSE will be achieved in full, at all or within projected timeframes. In view of these uncertainties, the inclusion of the unaudited prospective financial information of Patterson-UTI and SSE in this joint proxy statement/prospectus should not be regarded as an indication that the board of directors of Patterson-UTI or SSE, Patterson-UTI, SSE, Merger Sub, Piper Jaffray or Morgan Stanley or any other recipient of this information considered, or now considers, it to be an assurance of the achievement of future results.

The unaudited prospective financial information was prepared for internal use and to assist Patterson-UTI and SSE with their due diligence investigations and their respective financial advisors with their financial analyses. The unaudited prospective financial information was not prepared with a view toward public disclosure or toward compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Pricewaterhouse Coopers LLP, the independent registered public accounting firm for both Patterson-UTI and SSE, has neither examined, compiled nor performed any procedures with respect to the unaudited prospective financial information. For additional information regarding the unaudited prospective financial information, see The Merger Certain Unaudited Prospective Financial Information of Patterson-UTI and SSE beginning on page 106.

***The unaudited pro forma financial information included in this document is presented for illustrative purposes only and may not be an indication of the combined company's financial condition or results of operations following the merger.***

The unaudited pro forma financial information contained in this document is presented for illustrative purposes only, is based on various adjustments, assumptions and preliminary estimates and may not be an

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indication of the combined company's financial condition or results of operations following the merger for several reasons. The actual financial condition and results of operations of the combined company following the merger may not be consistent with or evident from this unaudited pro forma financial information. In addition, the assumptions used in preparing the unaudited pro forma financial information may prove to be inaccurate, and other factors may affect the combined company's financial condition or results of operations following the merger. Any potential decline in the combined company's financial condition or results of operations may cause significant variations in the stock price of the combined company. See Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 153.

***Uncertainty about the merger and diversion of management could harm the combined company following the merger.***

The combined company's success will be dependent upon the experience and industry knowledge of its officers and other key employees. The merger could result in current and prospective employees experiencing uncertainty about their future with the combined company following the merger. These uncertainties may impair the ability of the combined company to retain, recruit or motivate key personnel. In addition, completion of the merger and integrating the companies' operations will require a significant amount of time and attention from management of the two companies. The diversion of management's attention away from ongoing operations could adversely affect business relationships of the combined company following the merger.

***Uncertainties associated with the merger may cause a loss of key employees, which could adversely affect the future business and operations of the combined company.***

Patterson-UTI and SSE are dependent on the experience and industry knowledge of their officers and other key employees to execute their business plans. Each company's success until the merger and the combined company's success after the merger will depend in part upon the ability of Patterson-UTI and SSE to retain key employees. Current and prospective employees of Patterson-UTI and SSE may experience uncertainty about their roles within the combined company following the merger, which may have an adverse effect on the ability of each of Patterson-UTI and SSE to attract or retain key personnel. Accordingly, no assurance can be given that the combined company will be able to attract or retain key employees of Patterson-UTI and SSE to the same extent that Patterson-UTI and SSE have previously been able to attract or retain their own employees.

***The combined company may not be able to utilize a portion of SSE's or Patterson-UTI's net operating loss carryforwards (NOLs) to offset future taxable income for U.S. federal tax purposes, which could adversely affect the combined company's net income and cash flows.***

As of September 30, 2016, SSE had federal income tax NOLs of approximately \$146.5 million, net of estimated cancellation of indebtedness income, which will expire between 2034 and 2036, and, as of December 31, 2016, Patterson-UTI had federal income tax NOLs of approximately \$483.8 million, which will expire between 2035 and 2036. Utilization of these NOLs depends on many factors, including the combined company's future taxable income, which cannot be predicted with any accuracy. In addition, Section 382 of the Code generally imposes an annual limitation on the amount of an NOL that may be used to offset taxable income when a corporation has undergone an ownership change (as determined under Section 382). Determining the limitations under Section 382 is technical and highly complex. An ownership change generally occurs if one or more shareholders (or groups of shareholders) who are each deemed to own at least 5% of the corporation's stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period.

SSE underwent an ownership change in 2016 as a result of its emergence from Chapter 11 bankruptcy proceedings, and we believe SSE will undergo another ownership change as a result of its acquisition pursuant to the merger, and the corresponding annual limitation associated with either of those changes in ownership could prevent the combined company from fully utilizing prior to their expiration SSE's NOLs as of the effective

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time. While Patterson-UTI's issuance of stock pursuant to the merger would, standing alone, be insufficient to result in an ownership change with respect to Patterson-UTI, we cannot assure you that Patterson-UTI will not undergo an ownership change as a result of the merger taking into account other changes in ownership of Patterson-UTI stock occurring within the relevant three-year period described above. If Patterson-UTI were to undergo an ownership change, the combined company may be prevented from fully utilizing Patterson-UTI's NOLs as of the time of the merger prior to their expiration. Future changes in stock ownership or future regulatory changes could also limit the combined company's ability to utilize SSE's or Patterson-UTI's NOLs. To the extent the combined company is not able to offset future taxable income with SSE's or Patterson-UTI's NOLs, the combined company's net income and cash flows may be adversely affected.

***Fluctuations in oil and natural gas prices could adversely affect drilling, completion and production activities by oil and natural gas companies and the combined company's valuation, revenues, cash flows and profitability.***

Following the completion of the merger, the combined company's operations will depend on the level of spending by oil and gas companies for drilling, completion and production activities. Both short-term and long-term trends in oil and natural gas prices affect these levels. Oil and natural gas prices, as well as the level of drilling, completion and production activity, can be highly volatile. For example, in 2016, oil prices were as high as \$54.01 per barrel and as low as \$26.19 per barrel. Worldwide military, political and economic events, including initiatives by the Organization of Petroleum Exporting Countries, affect both the demand for, and the supply of, oil and natural gas. Weather conditions, governmental regulation (both in the United States and elsewhere), levels of consumer demand, the availability of pipeline capacity and other factors that will be beyond the control of the combined company may also affect the supply of, demand for, and price of oil and natural gas. Lower oil and natural gas prices may cause some of the combined company's customers to terminate, seek to renegotiate or fail to honor their drilling contracts and affect the fair market value of its assets, which in turn could result in impairments of assets. A sustained period of low prices or further decline in oil and natural gas prices could adversely impact the combined company's cash forecast models used to determine whether the carrying value of its long-lived assets exceeds its future cash flows, which could result in future impairment to its long-lived assets. A prolonged period of lower oil and natural gas prices could also affect the combined company's ability to retain skilled personnel and affect its ability to access capital to finance and grow its business. There can be no assurances as to the future level of demand for the combined company's services or future conditions in the oil and natural gas and oilfield services industries.

***Business issues currently faced by Patterson-UTI or SSE may be imputed to the operations of the other.***

To the extent that either Patterson-UTI or SSE currently has or is perceived by customers to have operational challenges, such as service performance, safety issues or workforce issues, those challenges may raise concerns by existing customers of the other company following the merger, which may limit or impede the combined company's future ability to obtain additional work from those customers.

**Risk Factors Relating to Patterson-UTI**

Patterson-UTI's business is and will be subject to the risks described in Patterson-UTI's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as such risks may be updated or supplemented in Patterson-UTI's subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, to the extent incorporated by reference into this joint proxy statement/prospectus. See [Where You Can Find More Information](#) beginning on page 250.



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### **Risk Factors Relating to SSE**

***SSE is dependent on CHK for a majority of its revenues. Therefore, SSE is indirectly subject to the business and financial risks of CHK. SSE has no control over CHK's business decisions and operations, and CHK is under no obligation to adopt a business strategy that is favorable to SSE.***

SSE currently provides a significant percentage of its oilfield services and equipment to CHK and its working interest partners. For the nine months ended September 30, 2016 and the years ended December 31, 2015, 2014 and 2013, CHK and its working interest partners accounted for approximately 63%, 70%, 81% and 90% of SSE's revenues, respectively. If CHK ceases to engage SSE on terms that are attractive to SSE during any period, SSE's business, financial condition and results of operations would be materially adversely affected during such period. Accordingly, SSE is indirectly subject to the business and financial risks of CHK, some of which are the following:

the volatility of oil and natural gas prices, which could have a negative effect on the value of CHK's oil and natural gas properties, its drilling program, its ability to finance its operations and its willingness to allocate capital toward exploration and development activities;

the availability of capital on favorable terms to fund CHK's exploration and development activities;

its discovery rate of new oil and natural gas reserves and the speed at which it develops such reserves;

uncertainties inherent in estimating quantities of natural gas and oil reserves and projecting future rates of production;

its drilling and operating risks, including potential environmental liabilities;

pipeline, storage and other transportation capacity constraints and interruptions;

adverse effects of governmental and environmental regulation; and

losses from pending or future litigation.

In particular, CHK has generally made capital expenditures in excess of its operating cash flows. To fund these expenditures, CHK obtained capital from its revolving credit facility, the debt capital markets, oil and natural gas asset sales and other sources. If CHK is unable to generate cash flow from operations sufficient to fund its capital expenditures, CHK may be required to reduce its drilling and completion activities, which could have a material adverse impact on SSE's business, financial condition and results of operations.

***Demand for services in SSE's industry is cyclical and depends on drilling and completion spending by CHK and other exploration and production companies in the U.S., and the level of such activity is cyclical.***

Demand for services in SSE's industry is cyclical, and SSE depends on CHK's and its other customers' willingness to make capital and operating expenditures to explore for, develop and produce oil and natural gas in the U.S. SSE's customers' willingness to undertake these activities depends largely upon prevailing industry conditions that are influenced by numerous factors over which SSE has no control, including:

prices, and expectations about future prices, of oil and natural gas;

domestic and foreign supply of and demand for oil and natural gas;

the availability, pricing and perceived safety of pipeline, trucking, train storage and other transportation capacity;

lead times associated with acquiring equipment and availability of qualified personnel;

the expected rates of decline in production from existing and prospective wells;

the discovery rates of new oil and natural gas reserves;

laws and regulations relating to environmental matters;

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federal, state and local regulation of hydraulic fracturing and other oilfield activities, including public pressure on governmental bodies and regulatory agencies to regulate SSE's industry;

adverse weather conditions, including hurricanes that can affect oil and natural gas operations over a wide area;

oil refining capacity;

merger and divestiture activity among oil and gas producers;

tax laws, regulation and policies;

the availability of water resources and suitable proppants in sufficient quantities and on acceptable terms for use in hydraulic fracturing operations;

the availability, capacity and cost of disposal and recycling services for used hydraulic fracturing fluids;

the political environment in oil and natural gas producing regions, including uncertainty or instability resulting from civil disorder, terrorism or war;

advances in exploration, development and production technologies or in technologies affecting energy consumption;

the price and availability of alternative fuels and energy sources;

uncertainty in capital and commodities markets; and

the ability of oil and natural gas producers to raise capital on favorable terms.

Anticipated future prices for crude oil and natural gas are a primary factor affecting spending and drilling and completions activity by exploration and production companies, including CHK. Actual or anticipated lower prices or volatility in prices for oil and natural gas typically decrease spending and drilling and completions activity, which can cause rapid and material declines in demand for SSE's services and in the prices SSE is able to charge for its services. Worldwide political, economic and military events as well as natural disasters and other factors beyond SSE's control contribute to oil and natural gas price levels and volatility and are likely to continue to do so in the future.

SSE negotiates the rates payable under its contracts based on prevailing market prices, and, consequently, the prices it is able to charge will fluctuate with market conditions. A material decline in oil and natural gas prices or drilling and

completions activity levels or sustained lower prices or activity levels could have a material adverse effect on SSE's business, financial condition, results of operations and cash flows. For example, beginning at the end of the fourth quarter of 2014 and continuing throughout 2015, SSE experienced reductions in both the demand for its services and the prices it is able to charge as the sharp decline in oil prices has led its customers to reduce spending and cut costs. Further price declines or prolonged levels of low prices will further negatively affect the demand for SSE's services and the prices it is able to charge to its customers. Additionally, SSE may incur costs and have downtime during periods when its customers' activities are refocused towards different drilling regions.

Spending by exploration and production companies can also be affected by conditions in the capital markets. Limitations on the availability of capital, or higher costs of capital, for financing expenditures may cause CHK and other exploration and production companies to make additional reductions to capital budgets in the future, even if oil or natural gas prices increase from current levels. Any such cuts in spending will curtail drilling and completion programs as well as discretionary spending on wellsite services, which may result in a reduction in the demand for SSE's services, the rates it can charge, and the utilization of its services. Moreover, reduced discovery rates of new oil and natural gas reserves, or a decrease in the development rate of reserves in SSE's market areas, whether due to increased governmental or environmental regulation, limitations on

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exploration and drilling and completions activity or other factors, could also have an impact on SSE's business, even in a stronger oil and natural gas price environment. An adverse development in any of these areas could have an adverse impact on SSE's customers' operations or financial condition, which could in turn result in reduced demand for its products and services.

***SSE's current backlog of contract drilling and hydraulic fracturing revenue may not be fully realized.***

As of September 30, 2016, the contract backlog associated with SSE's drilling and hydraulic fracturing services was approximately \$274 million, of which approximately \$240 million was with CHK. SSE calculates its drilling backlog by multiplying the day rate under its contracts by the number of days remaining under the contract. SSE calculates its hydraulic fracturing backlog by multiplying the (i) rate per stage, which varies by operating region and is, therefore, estimated based on current customer activity levels by region and current contract pricing, by (ii) the number of stages remaining under the contract, which it estimates based on current and anticipated utilization of its crews. With respect to SSE's hydraulic fracturing backlog, its contracts provide for periodic adjustments of the rates it may charge for its services, which will be negotiated based on then-prevailing market pricing and in the future may be higher or lower than the current rates it charges and utilize in calculating SSE's backlog. SSE's drilling backlog calculation does not include any reduction in revenues related to mobilization or demobilization, nor does it include potential reductions in rates for unscheduled standby or during periods in which the rig is moving, on standby or incurring maintenance and repair time in excess of what is permitted under the drilling contract. The contractual rate may be higher than the actual rate SSE receives because of a number of factors, including downtime or suspension of operations. Several factors could cause downtime or a suspension of operations, many of which are beyond SSE's control, including:

breakdowns of equipment;

work