

# SECURITIES AND EXCHANGE COMMISSION

## FORM S-3

Registration statement for specified transactions by certain issuers

Filing Date: **1995-06-13**  
SEC Accession No. **0000950129-95-000650**

([HTML Version](#) on [secdatabase.com](http://secdatabase.com))

### FILER

#### **NABORS INDUSTRIES INC**

CIK: **798943** | IRS No.: **930711613** | State of Incorpor.: **DE** | Fiscal Year End: **0930**  
Type: **S-3** | Act: **33** | File No.: **033-60193** | Film No.: **95546803**  
SIC: **1381** Drilling oil & gas wells

Business Address  
*515 W GREEN RD STE 1200  
HOUSTON TX 77067  
7138740035*

-----  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
-----

FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933  
-----

NABORS INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

<TABLE>

<S>

DELAWARE

(State or Other Jurisdiction  
of Incorporation or Organization)

<C>

93-0711613

(I.R.S. Employer  
Identification Number)

</TABLE>

515 West Greens Road  
Houston, Texas 77067  
(713) 874-0035

(Address, including zip code, and telephone number,  
including area code, of Registrant's principal executive offices)

-----  
Anthony G. Petrello  
President  
Nabors Industries, Inc.  
515 West Greens Road  
Houston, Texas 77067  
(713) 874-0035

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

-----  
With a copy to:

Howard M. Berkower, Esq.  
Baker & McKenzie  
805 Third Avenue  
New York, New York 10022  
-----

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. / /

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. /x/

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 earlier effective registration statement for the same offering. / / \_\_\_\_\_

If this Form is a post-effective amendment filed pursuant to Rule

462(c) 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 delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

CALCULATION OF REGISTRATION FEE

<TABLE>  
<CAPTION>

Title of Each Class of Securities Being Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit (1)	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee
<S> Common Stock, \$.10 par value per Share	<C> 650,000	<C> \$8.875	<C> \$5,768,750	<C> \$1,989.22

</TABLE>

(1) Estimated pursuant to Rule 457(c) solely for the purposes of calculating the registration fee in connection with the shares of Common Stock registered hereby, based on the average of the high and low sales prices of the shares of Common Stock reported on the American Stock Exchange on June 8, 1995.

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 DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

2

Subject to Completion, Dated June \_\_, 1995

PROSPECTUS

650,000 SHARES  
NABORS INDUSTRIES, INC.  
COMMON STOCK  
(par value \$.10 per share)

This Prospectus relates to 650,000 shares (the "Shares") of common stock, par value \$.10 per share (the "Common Stock"), of Nabors Industries, Inc., a Delaware corporation (the "Company").

The Shares are issuable pursuant to a Common Stock Purchase Warrant, dated April 7, 1994 (the "Warrant") owned by Mitchell Energy Corporation, a Delaware corporation (the "Selling Stockholder"). The Company issued the Warrant to the Selling Stockholder in connection with the acquisition by a subsidiary of the Company of certain drilling rigs and related assets from the Selling Stockholder in April 1994. See "Selling Stockholder."

The Selling Stockholder may from time to time sell all or a portion of the Shares on the American Stock Exchange (the "ASE"), in the over-the-counter market, on any other national securities exchange on which the Common Stock is listed or traded, in negotiated transactions or otherwise, at prices then prevailing or related to the then current market price or at negotiated prices. The Shares may be sold directly or through brokers or dealers. See "Plan of Distribution."

The Company will receive no part of the proceeds of any sales made hereunder except to the extent that the net proceeds therefrom exceed \$6,148,000. See "Use of Proceeds." All expenses of registration incurred in

connection with the offering are being borne by the Company, but all selling and other expenses incurred by the Selling Stockholder will be borne by the Selling Stockholder. See "Selling Stockholder."

The Selling Stockholder and any broker-dealers participating in the distribution of the Shares may be deemed to be "underwriters" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), and profit on the sale of Shares by the Selling Stockholder and any commissions or discounts given to any such broker-dealers may be regarded as underwriting commissions or discounts under the Securities Act.

The Shares have not been registered for sale by the Selling Stockholder under the securities laws of any state as of the date of this Prospectus. Brokers or dealers effecting transactions in the Shares should confirm the registration thereof under the securities laws of the States in which such transactions occur, or the existence of any exemption from registration.

The Common Stock is traded on the ASE. On \_\_\_\_\_, 1995, the last sale price of the Common Stock, as reported on the composite tape for issues listed on the ASE, was \$\_\_\_\_ per share.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

---

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

---

THE DATE OF THIS PROSPECTUS IS \_\_\_\_\_, 1995.

3

#### AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy materials and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy materials and other information concerning the Company and the Registration Statement (as hereinafter defined) can be inspected and copied at the public reference facilities maintained by the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and at the public reference facilities maintained by the Commission at The Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and at Seven World Trade Center, 13th Floor, New York, New York 10048. Copies can be obtained by mail from the Commission at prescribed rates from the Public Reference Section of the Commission at its principal office at Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. In addition, similar information can be inspected at the American Stock Exchange, 86 Trinity Place, New York, New York 10006.

The Company has filed with the Commission a registration statement on Form S-3 (herein, together with all amendments and exhibits, referred to as the "Registration Statement") under the Securities Act. This Prospectus does not contain all of the information set forth in the

Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is hereby made to the Registration Statement including the exhibits filed as a part thereof and otherwise incorporated therein.

Statements contained in this Prospectus or in any document incorporated by reference in this Prospectus as to the contents of any contract or other document referred to herein or therein are not necessarily complete, and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement or such other document, each such statement being qualified in all respects by such reference.

#### INCORPORATION OF CERTAIN DOCUMENTS

The following documents filed with the Commission are incorporated in this Prospectus by reference:

- (A) The Company's Annual Report filed on Form 10-K for the fiscal year ended September 30, 1994 (File No. 1-9245);
- (B) The Company's Quarterly Reports on Form 10-Q for the fiscal quarters ended December 31, 1994 and March 31, 1995; and
- (C) The description of the Common Stock contained in the Registration Statement on Form 8-A, File No. 1-9245, filed with the Commission on August 22, 1986 as amended by Amendment No. 1 thereto dated May 20, 1992 and any subsequent amendment thereto filed for the purpose of updating the description.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the offering of shares of Common Stock hereunder shall be deemed incorporated by reference in this Prospectus and shall be deemed to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed incorporated herein by reference shall be deemed to be modified or superseded for all purposes to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference in this Prospectus modifies or supersedes such statement.

The Company undertakes to provide without charge to each person to whom a Prospectus is delivered, upon written or oral request of such person, a copy of any and all of the information which have been or may be incorporated in this Prospectus by reference but not delivered herewith, except for certain exhibits to such documents. Requests for such information should be directed to Nabors Industries, Inc., at the Company's executive offices located at 515 West Greens Road, Suite 1200, Houston, Texas 77067, Attention: Secretary (telephone number (713) 874-0035).

---

NO PERSON HAS BEEN AUTHORIZED BY THE COMPANY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS. ANY INFORMATION OR REPRESENTATION GIVEN WHICH IS NOT CONTAINED HEREIN MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION ABOUT THE COMPANY CONTAINED IN OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS SINCE THE DATE HEREOF.

---

- 2 -

4

#### USE OF PROCEEDS

All of the Shares offered hereby are being offered by the Selling Stockholder. The Company will receive no part of the proceeds of any sales made hereunder except to the extent that the proceeds therefrom (after deducting reasonable brokerage commission) exceed the total exercise price of the Warrant plus \$1,000,000, or \$6,148,000. Any proceeds received by the

Company will be used for general corporate purposes.

SELLING STOCKHOLDER

The Selling Stockholder is a Delaware corporation and a wholly-owned subsidiary of Mitchell Energy & Development Corp., a Texas corporation. The principal office of the Selling Stockholder is located at 2001 Timberloch Place, The Woodlands, Texas 77387. The Selling Stockholder acquired the Warrant on April 7, 1994 as part of the consideration for its sale of certain drilling rigs and related assets to Nabors Drilling USA, Inc., a wholly-owned subsidiary of the Company ("Nabors Drilling"). The Warrant entitles the Selling Shareholder to purchase the Shares from the Company at a purchase price of \$7.92 per share, subject to adjustment to prevent dilution, at any time prior to 3:00 p.m., Houston time, on April 7, 1996. Pursuant to the Warrant and a related letter agreement dated April 4, 1994, between Nabors Drilling and the Selling Stockholder, the Company or Nabors Drilling has the right to purchase the Warrant, at any time prior to its exercise, for \$1,000,000. Further, the Selling Stockholder has the obligation to pay to the Company or Nabors Drilling any net proceeds from the sale of the Shares in excess of the total exercise price of the Warrant plus \$1,000,000. See "Use of Proceeds."

Pursuant to the Warrant, the Company will pay all expenses in connection with the registration and sale of the Shares, except any selling commissions or discounts allocable to sales of the Shares, and the fees and disbursements of counsel for the Selling Stockholder.

The following table sets forth the number of shares of Common Stock beneficially owned by the Selling Stockholder, the number of such shares being offered for sale by it, the numbers of such shares to be owned by the Selling Stockholder after such sale and the percentage of ownership of the outstanding shares of Common Stock represented by the holdings of the Selling Stockholder after such sale:

<TABLE>  
<CAPTION>

SHARES OWNED*	SHARE BEING SOLD	SHARE TO BE OWNED AFTER SALE	PERCENT OF CLASS TO BE OWNED AFTER SALE
<S>	<C>	<C>	<C>
650,000	650,000	0	0%

</TABLE>

\* Represents Shares underlying the Warrant.

PLAN OF DISTRIBUTION

Following its exercise of the Warrant, the Selling Stockholder may from time to time sell all or a portion of the Shares on the ASE, in the over-the-counter market, on any other national securities exchange on which the Common Stock is listed or traded, in negotiated transactions or otherwise, at prices then prevailing or related to the then current market price or at negotiated prices. The Shares may be sold directly or through brokers or dealers. The methods by which the Shares may be sold include (a) a block trade (which may involve crosses) in which the broker or dealer so engaged will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction; (b) purchases by a broker or dealer as principal and resale by such broker or dealer for its account pursuant to this Prospectus; (c) exchange distributions and/or secondary distributions in accordance with the rules of the ASE; (d) ordinary brokerage transactions and transactions in which the broker solicits purchasers; and (e) privately negotiated transactions. The Selling Stockholder and any broker-dealers participating in the distribution of the Shares may be deemed to be "underwriters" within the meaning of the Securities Act and any profit on the sale of Shares by the Selling Stockholder and any commissions or discounts given to any such broker-dealer may be deemed to be underwriting commissions or discounts under the Securities Act.

The Shares may also be sold pursuant to Rule 144 under the Securities Act.

- 3 -

5

There can be no assurance that the Selling Stockholder will sell any or all of the Shares offered hereunder.

Under the Exchange Act, and the regulations thereunder, any person engaged in a distribution of the shares of Common Stock of the Company offered by this Prospectus may not simultaneously engage in market making activities with respect to the Common Stock of the Company during the applicable "cooling off" periods prior to the commencement of such distribution. In addition, and without limiting the foregoing, the Selling Stockholder will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder including, without limitation, Rules 10b-6 and 10b-7, which provisions may limit the timing of purchases and sales of Common Stock by the Selling Stockholder. The Company has agreed to indemnify the Selling Stockholder against certain liabilities, including liabilities under the Securities Act, and to contribute in respect thereof. The Company may also indemnify any brokers, underwriters, dealers or agents against certain liabilities, including liabilities under the Securities Act.

LEGAL OPINION

Certain legal matters with respect to this offering are being passed upon for the Company by Baker & McKenzie, New York, New York.

EXPERTS

The consolidated financial statements included in the Company's Annual Report for the fiscal year ended September 30, 1994 filed on Form 10-K which are incorporated by reference in this Prospectus and elsewhere in the Registration Statement have been so incorporated in reliance on the report of Coopers & Lybrand, L.L.P. independent accountants, given on the authority of said firm as experts in accounting and auditing.

- 4 -

6

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The itemized table set forth below estimates the expenses in connection with the offer and sale of the securities offered hereby. All of the expenses will be paid by the Company, except for the legal fees and expenses of the Selling Stockholder.

<TABLE>  
<CAPTION>

	Amount of Expenses -----
<S>	<C>
Filing fee for registration statement . . . . .	\$ 1,989.22
Accountants' fees and expenses . . . . .	2,500.00
Legal fees and expenses of the Company . . . . .	5,000.00

Legal fees and expenses of the Selling Stockholder . . . . .	5,000.00
Miscellaneous . . . . .	1,510.78
	-----
Total . . . . .	\$16,000.00
	=====

</TABLE>

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law permits the indemnification of directors, employees and agents of Delaware corporations.

Consistent therewith, Article Seventh of the Restated Certificate of Incorporation of the Company states as follows:

"Seventh: (a) Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter collectively referred to as a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators.

(b) The right to indemnification conferred in this Section shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that if the Delaware General Corporation Law requires, the payment of such expenses incurred by a director or officer in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section or otherwise. The Corporation may, by action of its Board of Directors,

II-1

7

provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of directors and officers.

(c) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section shall not be



exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-laws, agreement, vote of stockholders or disinterested directors or otherwise.

(d) The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

(e) Any repeal or modification of this Section directly or indirectly, such as by adoption of an inconsistent provision of this Certificate of Incorporation, shall not apply to or have any effect on the rights of any officer and director to indemnification and advancement of expenses with respect to any acts or omissions occurring prior to such repeal or modification.

(f) If this Section or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director and officer of the Corporation as to expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) with respect to any proceeding to the full extent permitted by any applicable portion of this Section that shall not have been invalidated and to the full extent permitted by applicable law."

The Company has entered into agreements with each of its directors and officers indemnifying each of them against expenses, settlements, judgments and fines in connection with any threatened, pending or completed action, suit, arbitration or proceeding where the individual's involvement is by reason of the fact that he is or was a director or officer or served at the Company's request as a director or officer of another organization, except that indemnification is not provided against judgments or fines in a derivative suit unless permitted by Delaware law.

Reference is made to the Warrant, a copy of which is filed as Exhibit 4.6 hereto, which contains provisions for indemnification of the Company, its officers and directors and any controlling persons by the Selling Stockholder against certain liabilities for information furnished by the Selling Stockholder.

The officers and directors of the Company are covered by directors and officers insurance aggregating \$20,000,000.

Except to the extent hereinabove set forth, there is no charter provision, by-law, contract, arrangement or statute under which any director or officer of the Company is insured or indemnified in any manner against any liability which he may incur in his capacity as such.

ITEM 16. EXHIBITS.

The following are filed as exhibits to this Registration Statement:

EXHIBIT NUMBER - - - - -	DESCRIPTION -----
4.1(1)	Articles Fourth, Fifth, Eighth and Ninth of the Restated Certificate of Incorporation of Nabors Industries, Inc. dated May 12, 1988.
4.2(2)	Certificate of Amendment to the Restated Certificate of Incorporation of Nabors Industries, Inc. dated May 8, 1990 amending Articles Fourth and Eighth.

4.3(3) Certificate of Amendment to the Restated Certificate of Incorporation of Nabors Industries, Inc. dated April 12, 1991 amending Article Fourth.

II-2

8

4.4(4) Certificate of Amendment of the Restated Certificate of Incorporation of Nabors Industries, Inc., dated March 11, 1994.

4.5(1) Article X of the By-laws of Nabors Industries, Inc.

4.6 Common Stock Purchase Warrant dated April 7, 1994 issued to Mitchell Energy Corporation.

4.7 Letter Agreement for Asset Acquisition, dated April 4, 1994 between Mitchell Energy Corporation and Nabors Drilling USA, Inc. (without exhibits). (Nabors Industries, Inc. undertakes to furnish copies of such exhibits to the Securities and Exchange Commission upon request.)

5 Opinion of Baker & McKenzie.

23.1 Consent of Coopers & Lybrand, L.L.P.

23.2 Consent of Baker & McKenzie -- contained in the opinion appearing as Exhibit 5.

24 Power of Attorney (included in the signature page).

- - - - -

(1) Incorporated by reference to Exhibit 3 to Form 10-K for the year ended September 30, 1988, File No. 1-7773, filed with the Commission on December 29, 1988.

(2) Incorporated by reference to Exhibit 3.1 to Form 10-K for the year ended September 30, 1990, File No. 1-9245, filed with the Commission on December 21, 1990.

(3) Incorporated by reference to Exhibit 3.2 to Form 10-K for the year ended September 30, 1991, File No. 1-9245, filed with the Commission on December 30, 1991.

(4) Incorporated by reference to Exhibit 3.3 to Form 10-K for the year ended September 30, 1994, File No. 1-9245.

ITEM 17. UNDERTAKINGS.

(a) Rule 415 Offering

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not

previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (1)(i) and (ii) do not apply if the registration statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

II-3

9

- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Company hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (2) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.
- (3) For purposes of determining any liability under the Securities Act of 1933, the information omitted from

the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430(A) and contained in a form of prospectus filed by the Company pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

- (4) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

II-4

10

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Houston, State of Texas, on June 13, 1995.

NABORS INDUSTRIES, INC.

By: /s/ Anthony G. Petrello

-----  
 ANTHONY G. PETRELLO  
 PRESIDENT AND CHIEF OPERATING OFFICER

KNOW ALL MEN BY THESE PRESENTS that each individual whose signature appears below constitutes and appoints Anthony G. Petrello and Richard A. Stratton, and each of them, his true and lawful attorneys-in-fact and agents with full powers of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to the Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting singly unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

11  
 <TABLE>  
 <CAPTION>

Signature -----	Capacity -----	Date ----
<S> /s/ Anthony G. Petrello ----- (Anthony G. Petrello)	<C> President and Chief Operating Officer	<C> June 13, 1995
/s/ Eugene M. Isenberg	Chairman of the Board and Chief	June 13, 1995

----- (Eugene M. Isenberg)	Executive Officer	
/s/ Richard A. Stratton ----- (Richard A. Stratton)	Vice Chairman of the Board	June 13, 1995
/s/ Martin J. Whitman ----- (Martin J. Whitman)	Director	June 13, 1995
/s/ Myron Sheinfeld ----- (Myron M. Sheinfeld)	Director	June 13, 1995
----- (Jack Wexler)	Director	June __, 1995
/s/ Gary T. Hurford ----- (Gary T. Hurford)	Director	June 13, 1995
----- (Hans W. Schmidt)	Director	June __, 1995
/s/ Michael W. Dundy ----- (Michael W. Dundy)	Vice President and General Counsel	June 13, 1995
/s/ Daniel McLachlin ----- (Daniel McLachlin)	Vice President	June 13, 1995
/s/ Bruce P. Koch ----- (Bruce P. Koch)	Controller (Chief Accounting Officer)	June 13, 1995

</TABLE>

12

EXHIBIT INDEX

Exhibit -----	Description of Document -----
Number -----	
4.1(1)	Articles Fourth, Fifth, Eighth and Ninth of the Restated Certificate of Incorporation of Nabors Industries, Inc. dated May 12, 1988.
4.2(2)	Certificate of Amendment to the Restated Certificate of Incorporation of Nabors Industries, Inc. dated May 8, 1990 amending Articles Fourth and Eighth.

- 4.3(3) Certificate of Amendment to the Restated Certificate of Incorporation of Nabors Industries, Inc. dated April 12, 1991 amending Article Fourth.
- 4.4(4) Certificate of Amendment of the Restated Certificate of Incorporation of Nabors Industries, Inc., dated March 11, 1994 (without exhibits). (Nabors Industries, Inc. undertakes to furnish copies of such exhibits to the Securities and Exchange Commission upon request.)
- 4.5(1) Article X of the By-laws of Nabors Industries, Inc.
- 4.6 Common Stock Purchase Warrant dated April 7, 1994 issued to Mitchell Energy Corporation.
- 4.7 Letter Agreement for Asset Acquisition dated April 4, 1994 between Mitchell Energy Corporation and Nabors Drilling USA, Inc. (without exhibits).
- 5 Opinion of Baker & McKenzie.
- 23.1 Consent of Coopers & Lybrand, L.L.P.
- 23.2 Consent of Baker & McKenzie -- contained in the opinion appearing as Exhibit 5.
- 24 Power of Attorney (included in the signature page).

- -----

- (1) Incorporated by reference to Exhibit 3 to Form 10-K for the year ended September 30, 1988, File No. 1-7773, filed with the Commission on December 29, 1988.
- (2) Incorporated by reference to Exhibit 3.1 to Form 10-K for the year ended September 30, 1990, File No. 1-9245, filed with the Commission on December 21, 1990.
- (3) Incorporated by reference to Exhibit 3.2 to Form 10-K for the year ended September 30, 1991, File No. 1-9245, filed with the Commission on December 30, 1991.
- (4) Incorporated by reference to Exhibit 3.3 to the Form 10-K for the year ended September 30, 1994, File No. 1-9245.

NABORS INDUSTRIES, INC.  
Common Stock Purchase Warrant  
Expiring April 7, 1996

Houston, Texas  
April 7, 1994

NABORS INDUSTRIES, INC., a Delaware corporation (the "Company"), for value received, hereby certifies that Mitchell Energy Corporation, a Delaware corporation ("Mitchell") is entitled to purchase from the Company SIX HUNDRED FIFTY THOUSAND (650,000) duly authorized, validly issued, fully paid and nonassessable shares of Common Stock at the purchase price of \$7.92 per share at any time prior to 3:00 P.M., Houston, Texas time, on April 7, 1996 all subject to the terms, conditions and adjustments set forth below in this warrant (this Warrant"). Certain capitalized terms used in this Warrant are defined in Section 7; references to a "Section" are, unless otherwise specified, to one of the sections of this Warrant.

1. Exercise of Warrant and Company Right to Reacquire.

1.1. Manner of Exercise. This Warrant may be exercised by the holder hereof during normal business hours on any Business Day, by surrender of this Warrant to the Company at the principal office of the Company (or, if such exercise shall be in connection with an underwritten Public Offering of shares of Common Stock subject to this Warrant, at the location at which the Company shall have agreed to deliver the shares of Common Stock subject to such offering), accompanied by a subscription in substantially the form attached to this Warrant (or a reasonable facsimile thereof) and by payment, in cash or by certified or official bank check payable to the order of the Company, in the amount of \$5,148,000 and such holder shall thereupon be entitled to receive 650,000 duly authorized, validly issued, fully paid and nonassessable shares of Common Stock.

1.2. When Exercise Deemed Effected. The exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the Business Day on which this Warrant shall have been surrendered to the Company as provided in Section 1.1, and at such time, Mitchell shall be deemed to have become the holder or holders of record thereof.

1.3. Delivery of Stock Certificates, etc. As soon as practicable after the exercise of this Warrant, and in any event within five Business Days thereafter (unless such exercise shall be in connection with an underwritten Public Offering of shares of Common Stock subject to this Warrant, in which

event concurrently with such exercise), the Company at its expense (including the payment by it of any applicable taxes other than transfer taxes) will cause to be issued in the name of and delivered to Mitchell a certificate for 650,000 duly authorized, validly issued, fully paid and nonassessable

1

2

shares of Common Stock to which such holder shall be entitled upon such exercise on the Business Day next preceding the date of such exercise.

1.4 Transfer of Warrant to Affiliate. This Warrant may be transferred to an Affiliate of Mitchell. Upon transfer of the Warrant, both Mitchell and the Affiliate will be subject to the terms and conditions of this Agreement together with Article 5 of the Asset Acquisition Agreement. Upon transfer hereunder, Mitchell will provide written notice to Company.

1.5 Right to Acquire. The Company shall have the absolute right, but not the obligation, at any time prior to the exercise of the Warrant or the expiration of the Warrant to acquire the Warrant for the price of \$1,000,000.

1.6 Warrant Price Adjustment. The number of shares of Common Stock which the holder of this Warrant shall be entitled to receive upon exercise hereof shall be determined by multiplying the number of shares of Common Stock which would otherwise be issuable upon such exercise pursuant to Article 1.1, by the fraction of which (a) the numerator is \$7.92 and (b) the denominator is the Warrant Price in effect on the date of such exercise. The "Warrant Price" shall initially be \$7.92 per share, shall be adjusted and readjusted from time to time as provided in this Article and, as so adjusted or readjusted, shall remain in effect until a further adjustment or readjustment thereof is required by this Article. In the event that any adjustment or readjustment of the Warrant Price would result in zero or a negative number, then the Warrant Price shall be deemed to be one cent. The Company shall notify Mitchell of each adjustment and readjustment of the Warrant Price promptly after the occurrence thereof, and such notice shall set forth in reasonable detail the method of calculation of such adjustment or readjustment and the facts requiring such adjustment or readjustment and upon which such calculation is based.

1.7 Issuance of Additional Shares of Common Stock. In case the Company at any time or from time to time after the date hereof shall issue or sell Additional Shares of Common Stock without consideration or for a consideration per share less than the Market Price in effect immediately prior to such issue or sale, then, and in each such case, such Warrant Price shall be reduced, concurrently with such issue or sale, to a price (calculated to the nearest .0001 of a cent) determined by multiplying such Warrant Price by a fraction:



(a) the numerator of which shall be (i) the number of shares of Common Stock outstanding immediately prior to such issue or sale, plus (ii) the number of shares of Common Stock which the aggregate consideration received by the Company for the total number of such Additional Shares of Common Stock so issued or sold would purchase at such Market Price, and

(b) the denominator of which shall be number of shares of Common Stock outstanding immediately after such issue or sale,

2

3

provided that, for the purposes of this Section, (x) immediately after any Additional Shares of Common Stock are deemed to have been issued, such Additional Shares shall be deemed to be outstanding, and (y) treasury shares shall not be deemed to be outstanding.

1.8 Treatment of Stock Dividends, Stock Splits, etc. In case the Company at any time or from time to time after the date hereof shall declare or pay any dividend or other distribution on any class of stock of the Company payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by reclassification or otherwise than by payment of a dividend in Common Stock), then, and in each such case, Additional Shares of Common Stock shall be deemed to have been issued (a) in the case of any such dividend, immediately after the close of business on the record date for the determination of holders of any class of securities entitled to receive such dividend, or (b) in the case of any such subdivision, at the close of business on the day immediately prior to the day upon which such corporate action becomes effective.

1.9 Additional Shares of Common Stock deemed to have been issued pursuant to Article 1.8, relating to stock dividends, stock splits, etc., shall be deemed to have been issued for no consideration.

1.10 Repurchase of Shares of Common Stock. In case the Company at any time or from time to time after the date hereof shall repurchase any shares of Common Stock for a consideration per share greater than the Market Price in effect immediately prior to such repurchase, then, and in such case, the Warrant Price shall be reduced, concurrently with such repurchase, to a price (calculated to the nearest .0001 of a cent) determined by multiplying such Warrant Price by a fraction:

(a) the numerator of which shall be (i) the number of shares of Common Stock outstanding immediately prior to such repurchase, minus (ii) the number of shares of Common Stock which the aggregate consideration paid by the Company for the total number of

such shares of Common Stock so repurchased would purchase at such Market Price, and

(b) the denominator of which shall be number of shares of Common Stock outstanding immediately after such repurchase,

provided that, for the purposes of this Section, (x) immediately after any shares of Common Stock have been repurchased, such shares shall be deemed to be treasury shares, and (y) treasury shares shall not be deemed to be outstanding.

1.11 Treatment of Other Distributions. In case the Company shall distribute to all holders of its Common Stock shares of its capital stock (other than Common Stock), evidences of its indebtedness or assets (including cash dividends or distributions of

3

4

more than \$0.05 per share of Common Stock during any three-month period) or rights or warrants to subscribe or purchase such shares, evidences of indebtedness or assets, then in each such case the Warrant Price in effect thereafter shall be determined by multiplying the Warrant Price in effect immediately prior thereto by a fraction, of which the numerator shall be the total number of outstanding shares of Common Stock multiplied by the Market Price on the record date mentioned below, less the fair market value (as determined by the board of directors of the Company) of the capital stock, assets or evidences of indebtedness so distributed or of such rights or warrants, and of which the denominator shall be the total number of outstanding shares of Common Stock multiplied by such Market Price. Such adjustment shall be made whenever any such distribution is made and shall become effective retroactively immediately after the record date for the determination of stockholders entitled to receive such distribution.

1.12 Rollover. Notwithstanding any other provision of this Warrant, in case of any consolidation of the Company with, or merger of the Company with or into, any other corporation or entity, or of the sale or conveyance of the properties and assets of the Company as, or substantially as, an entirety to any other entity, this Warrant shall, after such consolidation, merger, sale or conveyance, be exercisable, upon the terms and conditions specified herein, for the number of shares of stock or other securities or property of the entity resulting from such consolidation or surviving such merger or to which such sale or conveyance shall be made, or any other entity, as the case may be, which the Common Stock issuable (at the time of such consolidation, merger, sale or conveyance) upon exercise of this Warrant would have been entitled to receive upon such consolidation, merger, sale or conveyance if such exercise had taken place. The Company shall not effect any such consolidation, merger, sale or conveyance unless prior to or

simultaneously with the consummation thereof the successor entity (if other than the Company) resulting from such consolidation or merger or the entity purchasing such assets and any other entity the shares of stock or other securities or property of which are receivable thereupon by the holder of this Warrant shall expressly assume, by written instrument executed, delivered and reasonably satisfactory in form to such holder, (i) the obligation to deliver to the holder of this Warrant such shares of stock, securities or assets, as, in accordance with the foregoing provisions, such holder may be entitled to purchase and (ii) all other obligations of the Company under this Warrant.

2. Registration Rights.

2.1. Registration on Request.

(a) Upon the written request of Mitchell that the Company effect the registration under the Securities Act of Mitchell's Registrable Securities, the Company will cause, as expeditiously as practicable, the registration under the Securities Act of all of the Registrable Securities which the Company has been so requested to register provided that the Company shall only be required to effect one registration pursuant to this Section 2.1 that is deemed effected under

Section 2.1(e); and provided further that the Company may defer for a period not longer than 60 days any registration requested pursuant to the foregoing provision if a majority of the Company's board of directors in good faith shall resolve that expeditious registration, as otherwise required by the foregoing provision, would be materially disadvantageous to the Company. Mitchell shall provide the Company with all necessary information regarding its intended method(s) of distribution.

(b) Registration Statement Form. Registration under this Section 2.1 shall be on such appropriate registration form of the Commission as shall be selected by the Company and as shall permit the disposition of such Registrable Securities. The Company agrees to include in any such registration statement all information which Mitchell shall reasonably request.

(c) Selection of Underwriters. If Registrable Securities which the Company has been requested to register pursuant to this Section 2.1 are to be disposed of in an underwritten public offering, the Company shall use its reasonable efforts to obtain one or more underwriting firms of recognized standing, reasonably acceptable to

Mitchell.

(d) Priority in Requested Registrations. If a requested registration pursuant to this Section 2.1 involves an underwritten offering, and the managing underwriter shall advise the Company in writing (with a copy to Mitchell) that, in its opinion, the number of securities requested to be included in such registration exceeds the number which can be sold in such offering within a price range acceptable to Mitchell (such writing to state the approximate number of shares of securities which, in the judgment of the managing underwriter, may be included in such offering without such effect), the Company will include in such registration, to the extent of the number of securities which the Company is so advised can be sold in such offering, (i) first, all Registrable Securities requested to be registered by Mitchell and (ii) second, all other securities of the Company proposed to be included in such registration.

(e) Registration Deemed Effected. A registration requested pursuant to this Section 2.1 shall not be deemed to have been effected for purposes of the first proviso of Section 2.1(a) if

(i) the registration does not remain effective for a period of at least 120 days and, if a firm underwriting is involved, all the Registrable Securities registered in connection therewith were not sold, or

(ii) a registration statement with respect thereto has not become effective, or

5

6

(iii) if within 120 days after it has become effective, such registration is interfered with by any stop order, injunction or other order or requirement of the Commission or other governmental agency or court for any reason and all the Registrable Securities registered in connection therewith were not sold, or

(iv) the conditions to closing specified in the purchase agreement or underwriting agreement entered into in connection with such registration are not satisfied, or waived other than by reason of some act or omission by Mitchell.

2.3. Registration Procedures. If and whenever the Company proposes to effect the registration of any shares of Common Stock under the Securities Act as provided in Sections 2.1, the Company will as expeditiously as possible:

(a) promptly and in any event within 90 days of the request, prepare and file with the Commission the requisite registration statement to effect such registration and cause such registration statement to become effective.

(b) prepare and file with the Commission, such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until the earlier of (1) such time as all of such securities have been disposed of by the seller or sellers thereof set forth in such registration statement and (2) 120 days after the effective date of such registration statement;

(c) furnish as soon as available to each seller of securities and the underwriter covered by such registration statement (1) such number of copies of such drafts and final versions of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), (2) such number of copies of such drafts and final versions of the prospectus contained in such registration statement (including each preliminary prospectus and any summary prospectus) and (3) any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents, as such seller may reasonably request:

(d) register or qualify the Registrable Securities and other securities covered by such registration statement under such other securities or blue sky laws of such U.S. jurisdictions as each seller thereof shall reasonably request, to keep such registration or qualification in effect for so long as such registration statement remains in effect, and take any other action which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the securities owned by such seller, except that the

Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this subdivision (iv) be obligated to be so qualified or to consent to general service of process in any such jurisdiction;

(e) cause the Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities;

(f) furnish to the seller of Registrable Securities a signed counterpart, addressed to such seller (and the underwriters, if any) of

(i) an opinion of counsel for the Company, dated the effective date of such registration statement (and, if such registration involves an underwritten public offering, dated the date of the closing under the underwriting agreement), reasonably satisfactory in form and substance to such seller and the underwriter, and

(ii) a "comfort" letter, dated the effective date of such registration statement (and, if such registration involves an underwritten public offering, dated the date of the closing under the underwriting agreement) signed by the independent public accountants who have certified the Company's financial statements included in such registration statement, and reasonably satisfactory in form and substance to such seller and the underwriter covering substantially the same matters with respect to such registration statement and the prospectus included therein and, in the case of the accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in accountants' letters delivered to the underwriters in underwritten public offerings of securities;

(g) notify the seller of Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and at the request of any such seller promptly prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers or prospective purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or

necessary to make the statements therein not misleading in the light of the circumstances under which they were made;

(h) otherwise comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months, but not more than eighteen months, beginning with the first full calendar month after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section II(a) of the Securities Act, and furnish to each such seller at least five Business Days prior to the filing thereof a copy of any amendment or supplement to such registration statement or prospectus and shall not file any thereof to which any such seller shall have reasonably objected on the grounds that such amendment or supplement does not comply in all material respects with the requirements of the Securities Act of the rules or regulations thereunder;

(i) provide and cause to be maintained a transfer agent and registrar for the Registrable Securities covered by such registration statement from and after a date not later than the effective date of such registration statement;

(j) to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange and on each additional national securities exchange on which similar securities issued by the Company are then listed, if the listing of such Registrable Securities is then permitted under the rules of such exchange,

The Company may require Mitchell to furnish the Company such information in respect of Mitchell or its Registrable Securities which will be included in such registration as the Company may reasonably request in writing and as is required by applicable laws or regulations.

#### 2.4. Underwritten Offerings.

(a) Requested Underwritten Offerings. If requested by the underwriters for any underwritten offering by Mitchell pursuant to a registration requested under Section 2.1, the Company will use its reasonable efforts to enter into a firm commitment underwriting agreement with such underwriters and Mitchell for such offering, such agreement to be satisfactory in substance and form to Mitchell and the underwriters and to contain such representations and warranties by Mitchell and such representations and warranties by the Company and such other terms as are customarily contained in such agreements, including, without limitation, indemnities to the effect and to the

extent provided in Section 2.8. Except as set forth in this Section 2, Mitchell shall not be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or

8

9

agreements regarding Mitchell, Mitchell's Registrable Securities and Mitchell's intended method of distribution and any other representation required by law.

(b) Holdback Agreements. Mitchell agrees if so required by the managing underwriter, not to effect any public sale or distribution of any equity securities of the Company, during the 7 days prior to the date on which any underwritten registration pursuant to Section 2.1 has become effective and the 120 days thereafter, except as part of such underwritten registration.

2.5. Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement under the Securities Act pursuant to this Section 2, the Company will give Mitchell, its counsel, and the underwriter the opportunity (a) to review such registration statement, each prospectus included therein or filed with the Commission, and each amendment thereof or supplement thereto, and (b) to discuss the business of the Company with its officers and the independent public accountants who have certified its financial statements.

2.6. Certain Rights of Mitchell. If any registration statement refers to Mitchell by name or otherwise as the holder of any securities of the Company, then Mitchell shall have the right to require (a) the insertion therein of language, in form and substance reasonably satisfactory to Mitchell, to the effect that, if true, the holding by Mitchell of such securities does not necessarily make Mitchell a "controlling person" of the Company within the meaning of the Securities Act and is not to be construed as a recommendation by Mitchell of the investment quality of the Company's debt or equity securities covered thereby and that such holding does not imply that Mitchell will assist in meeting any future financial requirements of the Company, or (b) in the event that such reference to Mitchell by name or otherwise is not required by the Securities Act or any rules and regulations promulgated thereunder, the deletion of the reference to Mitchell.

2.7. Registration Expenses. Except as otherwise provided in Section 2.1(d) hereof, the Company will, whether or not any registration pursuant to this Warrant shall become effective, from time to time promptly upon receipt of bills or invoices relating thereto, pay all expenses incident to its performance of or compliance with this Warrant, including without



limitation, all (a) registration and filing fees, (b) fees and expenses of compliance with securities or blue sky laws, (c) printing expenses, messenger and delivery expenses, (d) fees and disbursements of counsel for the Company and all independent public accountants (including the expenses of any audit and/or "cold comfort" letter) and other Persons retained by the Company and (e) any fees and disbursements of underwriters customarily paid by issuers or sellers of securities (excluding underwriting commissions and discounts).

2.8. Indemnification.

(a) The Company will, and hereby does, indemnify, to the extent permitted by applicable law, Mitchell, its officers and directors, if any, and each Person, if any, who controls Mitchell within the meaning of section 15 of the Securities Act, against all losses, claims, damages, liabilities (or proceedings in respect thereof) and expenses (under the Securities Act or common law or otherwise), joint or several, caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus (and as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any preliminary prospectus or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities (or proceedings in respect thereof) or expenses are caused by any untrue statement or alleged untrue statement contained in or by any omission or alleged omission from information furnished in writing to the Company by Mitchell expressly for use therein. If the offering pursuant to any registration statement provided for under this Section 2 is made through underwriters, no action or failure to act on the part of such underwriters (whether or not any such underwriter is an Affiliate of Mitchell) shall affect the obligations of the Company to indemnify Mitchell or any other Person pursuant to the preceding sentence. If the offering pursuant to any registration statement provided for under this Section 2 is made through underwriters, the Company agrees to enter into an underwriting agreement in customary form, with customary indemnification provisions, with such underwriters. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of Mitchell, its officers, directors or any Person, if any, who controls Mitchell as aforesaid, and shall survive the transfer of such securities by Mitchell.

(b) In connection with any registration statement in

which a registration Securities is participating, Mitchell will indemnify, to the extent permitted by applicable law, the Company, its officers and directors and each Person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, against any losses, claims, damages, liabilities (or proceedings in respect thereof) and expenses resulting from any untrue statement or alleged untrue statement of a material fact or any omission or alleged omission of a material fact required to be stated in the registration statement or prospectus or preliminary prospectus or any amendment thereof or supplement thereto or necessary to make the statements therein not misleading, but only to the extent that such untrue statement is contained in or such omission is from information so furnished in writing by Mitchell expressly for use therein, provided that Mitchell's obligations hereunder shall be limited to an amount equal to the proceeds to such holder of the Registrable Securities sold pursuant to such registration statement.

(c) Any Person entitled to indemnification under the provisions of this Section 2.8 shall (i) give prompt notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, permit such indemnifying party to assume the defense of such claim, with counsel reasonably satisfactory to the indemnified party; and if such defense is so assumed, such indemnifying party shall not enter into any settlement without the consent of the indemnified party if such settlement attributes liability to the indemnified party and such indemnified party shall not be subject to any liability for any settlement made without its consent (which shall not be unreasonably withheld); and any underwriting agreement entered into with respect to any registration statement provided for under this Section 2 shall so provide. In the event an indemnifying party shall not be entitled, or elects not, to assume the defense of a claim, such indemnifying party shall not be obligated to pay the fees and expenses of more than one counsel or firm of counsel for all parties indemnified by such indemnifying party in respect of such claim, unless in the reasonable judgment of any such indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties in respect to such claim.

(d) If for any reason the foregoing indemnity is unavailable, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such

losses, claims, damages, liabilities or expenses (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other or (ii) if the allocation provided by subdivision (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other but also the relative fault of the indemnifying party and the indemnified party as well as any other relevant equitable considerations. No Person guilty of fraudulent misrepresentation (within the meaning of Section II(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The obligation of any underwriters to contribute pursuant to this Section 2.8 shall be several in proportion to their respective underwriting commitments and not joint.

(e) An indemnifying party shall make payments of all amounts required to be made pursuant to the foregoing provisions of this Section 2.8 to or for the account of the indemnified party from time to time promptly upon receipt of bills or invoices relating thereto or when otherwise due or payable.

2.9. Transfer of Registration Rights. The registration rights set forth in Article 2 may not be transferred except to an Affiliate of Mitchell in accordance with Article 1.4.

11

12

### 3. Restrictions on Transfer.

3.1. Restrictive Legends. Except as otherwise permitted by this Section 3, this Warrant and any Warrant issued in substitution for the Warrant pursuant to Section 6, shall be stamped or otherwise imprinted with a legend in substantially the following form:

"THIS WARRANT AND ANY SHARES ACQUIRED UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SUCH ACT."

Except as otherwise permitted by this Section 3, the certificate for Common Stock issued upon the exercise of this Warrant, and each certificate issued upon the transfer of any such Common Stock shall be stamped or otherwise imprinted with a legend in substantially the following form

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN

REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SAID ACT, EXCEPT UNDER CIRCUMSTANCES WHERE NEITHER SUCH REGISTRATION NOR SUCH AN EXEMPTION IS REQUIRED BY LAW. SUCH SHARES MAY BE TRANSFERRED ONLY IN COMPLIANCE WITH THE CONDITIONS SPECIFIED IN A CERTAIN COMMON STOCK PURCHASE WARRANT. A COMPLETE AND CORRECT COPY OF THE FORM OF SUCH WARRANT IS AVAILABLE FOR INSPECTION AT THE PRINCIPAL OFFICE OF NABORS INDUSTRIES, INC. AND WILL BE FURNISHED TO THE HOLDER OF SUCH SHARES UPON WRITTEN REQUEST AND WITHOUT CHARGE."

3.2. Termination of Restrictions. The restrictions imposed by this Section 3 upon the transferability of Restricted Securities shall cease and terminate as to any particular Restricted Securities (a) when such securities shall have been effectively registered under the Securities Act, or (b) when, in the opinions of both counsel for the holder thereof and counsel for the Company, such restrictions are no longer required in order to insure compliance with the Securities Act or (c) when such securities have been beneficially owned, by a person who has not been an affiliate of the Company for at least three months, for a period of at least three years, all as determined pursuant to Rule 144 under the Securities Act. Whenever such restrictions shall cease and terminate as to any Restricted Securities, the holder thereof shall be entitled to receive from the Company, without expense (other than applicable transfer taxes, if any), new securities of like tenor not bearing the applicable legends required by Section 3.1. The Company will pay the reasonable fees and disbursements of counsel for any holder of

Restricted Securities (other than house counsel) and of counsel for the Company in connection with any opinions rendered by them pursuant to this section 3.

4. Availability of Information. The Company will comply with the reporting requirements of Sections 13 and 15(d) of the Exchange Act and will comply with all other public information reporting requirements of the Commission (including Rule 144 promulgated by the Commission under the Securities Act) from time to time in effect and relating to the availability of an exemption from the Securities Act for the sale of any Restricted Securities or Registrable Securities. The Company will also cooperate with the holder of any Restricted Securities or Registrable Securities in supplying such information as may be necessary for such holder to complete and file any information reporting forms presently or hereafter required by the Commission as a condition to the availability of an exemption from the Securities Act for the sale of such Restricted Securities or Registrable Securities. The Company will furnish to the holder of any Warrants, promptly upon their becoming available, copies of all financial statements, reports, notices and proxy statements sent or made available generally by the Company to its stockholders,

and copies of all regular and periodic reports and all registration statements and prospectuses filed by the Company with any securities exchange or with the Commission. Upon the request of the holder of Restricted Securities or Registrable Securities, the Company will deliver to such holder a written statement as to whether it has complied with such requirements.

5. Reservation of Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon exercise of the Warrant, 650,000 shares of Common Stock issuable upon exercise of the Warrant. All shares of Common Stock issuable upon exercise of the Warrant in accordance with Section 1 shall be duly authorized and, when issued upon such exercise, shall be validly issued, fully paid and nonassessable with no liability on the part of the holders thereof.

6. Replacement of Warrant. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of the Warrant, upon delivery of indemnity reasonably satisfactory to the Company in form and amount or, in the case of any such mutilation, upon surrender of such Warrant for cancellation at the principal office of the Company, the Company at its expense will execute and deliver, in lieu thereof, a new Warrant of like tenor.

7. Definitions. As used herein, unless the context otherwise requires, the following terms have the following respective meanings:

Additional Shares of Common Stock: All shares (including treasury shares) of Common Stock issued or sold by the Company after the date hereof, whether or not subsequently reacquired or retired by the Company, other than (i) the shares of Common Stock issued upon the exercise of this Warrant, (ii) shares of Common Stock issuable upon the exercise of any rights, options or warrants to subscribe for shares of Common Stock or any evidences of indebtedness, shares of stock other than Common

Stock or other securities directly or indirectly convertible into or exchangeable for shares of Common Stock that are outstanding on the date hereof and (iii) shares of Common stock issuable to employees of the Company and its subsidiaries in respect of and in connection with such employment including, but not limited to, options and stock appreciation rights.

Affiliate: Any entity that directly or indirectly controls, is controlled by or is under common control with, a party to this Agreement.

Asset Acquisition Agreement: Letter Agreement for Asset Acquisition from Mitchell Energy Corporation dated April 4, 1994.

Business Day: Any day other than a Saturday or a Sunday or a day on which commercial banking institutions in New York City are authorized by law to be closed.

Commission: The Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act.

Common Stock: The Common Stock, par value \$.10 per share, of the Company, as constituted upon the "Closing" (as defined in the Asset Acquisition Agreement).

Company: As defined in the introduction to this Warrant, such term to include any corporation or entity which shall succeed to or assume the obligations of the Company hereunder in compliance with Section 1.12.

Exchange Act: The Securities Exchange Act of 1934, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

Expiration: The right to exercise this Warrant shall expire at 3:00 p.m., Houston time, on April 7, 1996.

Market Price: On any date specified herein, the amount per share of Common Stock equal to (a) the closing price, on such date or, if no such sale takes place on such date, the average of the closing bid and asked prices on such date, in each case as officially reported on the principal national securities exchange on which the Common Stock is then listed or admitted to trading, or (b) if the Common Stock is not then listed or admitted to trading on any national securities exchange but is designated as a national market system security by the NASD, the closing price of the Common Stock on such date, or (c) if there shall have been no trading on such date or if the Common stock is not so designated, the average of the closing bid and asked prices of the Common Stock on such date as shown by the NASD automated quotation system, or (d) if the Common Stock is not then listed or admitted to trading on any national exchange or quoted in the over-the-counter market, the fair value thereof as determined in good faith by the board of directors of the Company. For the purpose of

any computation under Section 1.11 above, however, the Market Price at any date shall be deemed to be the average of the daily prices of the Common Stock determined in accordance with the preceding clause (a), (b), (c) or (d) of this definition, as applicable, for the 30 consecutive trading days commencing 45 trading days before the day in question. For the purpose of any computation

under Section 1.7 above, where the Additional Shares of Common Stock to be issued or sold is Common Stock to be issued or sold in an underwritten Public Offering, the Market Price on any date shall be the offering price of the Common Stock in such underwritten Public Offering.

NASD: The National Association of Securities Dealers, Inc.

Person: A corporation, a limited liability company, an association, a partnership, an organization, a business, an individual, a government or political subdivision thereof or a governmental agency.

Public Offering: Any offering of Common Stock to the public pursuant to an effective registration statement under the Securities Act.

Registrable Securities: The shares of Common Stock which have been issued upon the exercise of this Warrant. As to the Registrable Securities once issued, such securities shall cease to be Registrable Securities when (w) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and have been disposed of in accordance with such registration statement, (x) they shall have been distributed to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, (y) they shall have been otherwise transferred, new instruments or certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent disposition of them shall not require registration or qualification of them under the Securities Act or any similar state law then enforced, or (z) they shall have ceased to be outstanding.

Registration Expenses: The expenses described in Section 2.7.

Restricted Securities: All of the following: (a) the Warrant bearing the applicable legend or legends referred to in Section 3.1, (b) any shares of Common Stock which have been issued upon the exercise of the Warrant and which are evidenced by a certificate or certificates bearing a restrictive legend or legends, and (c) unless the context otherwise requires, any shares of Common Stock which are at the time issuable upon the exercise of the Warrant and which, when so issued, will be evidenced by a certificate or certificates bearing a restrictive legend.

Securities Act: The Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

Warrant Price: As defined in Section 1.6.

NABORS INDUSTRIES, INC.

By: /s/ Richard Stratton  
-----  
Title: Vice Chairman

FORM OF SUBSCRIPTION

[To be executed only upon exercise of Warrant] To NABORS INDUSTRIES, INC.

The undersigned registered holder of the within Warrant hereby irrevocably exercises such Warrant for, and purchases thereunder, 650,000 shares of Common Stock, par value \$.10 per share, of NABORS INDUSTRIES, INC., and herewith makes payment of \$ \_\_\_\_\_ therefor, and requests that the certificate for such shares be issued in the name of Mitchell whose address is \_\_\_\_\_.

Dated: \_\_\_\_\_.

MITCHELL ENERGY CORPORATION

By: \_\_\_\_\_  
Title: \_\_\_\_\_



## LETTER AGREEMENT FOR ASSET ACQUISITION FROM MITCHELL ENERGY CORPORATION

This Letter Agreement is entered into on this 4th day of April, 1994 by and between Mitchell Energy Corporation ("Seller") and Nabors Drilling USA, Inc. ("Buyer").

The parties desire to enter into a binding arrangement for the acquisition of certain tangible, personal assets presently owned by the Seller. Now therefore, subject to the terms, conditions and covenants set forth herein, the Buyer and Seller agree as follows:

1. Definitions - The following definitions shall have the following meanings in this Letter Agreement:
  - (a) "Assets" shall mean the drilling rigs and related assets of Seller identified in Attachment A hereto.
  - (b) The "Cash Purchase Price" shall mean Nine Million United States Dollars (US\$9,000,000).
  - (c) The "Warrant" shall mean the warrant to purchase 650,000 shares of the common stock of Nabors Industries, Inc. which is to be delivered by Buyer at Closing.
  - (d) "Common Stock" shall mean the common stock of Nabors Industries, Inc., \$.10 par value as traded on the American Stock Exchange.
  - (e) "Average Closing Price" shall mean the average closing price of the Common Stock on the American Stock Exchange, as reported by the Wall Street Journal for all of the trading days between March 21, 1994 and three trading days prior to the Scheduled Closing Date.
  - (f) "Closing" shall mean the consummation of the purchase and sale of the Assets as contemplated by this Agreement.
  - (g) "Lease Agreement" shall mean the lease agreement between Seller and Buyer wherein the Buyer agrees to lease a yard and facilities owned by Seller in Magnolia, Texas.
  - (h) The "Limestone Drilling Program" shall mean the drilling

program conducted by Seller in the North Personville field of Texas.

- (i) "Nabors" shall mean Nabors Industries, Inc.

1

2

2. Seller agrees to sell and Buyer agrees to purchase all of Seller's right, title and interest in and to the Assets. In consideration for the purchase of the Assets, Purchasers shall pay Seller the Cash Purchase Price and deliver the Warrant. [Note: See 6.(d)].
3. The Closing shall take place on April 4, 1994 ("the Scheduled Closing Date") at 10:00 a.m. at the offices of Seller or at such other time or place as the parties shall agree to in writing.
4. At Closing,
- (a) Seller shall deliver to Buyer, bills of sale in the form set forth in Attachment B together with other instruments of sale, conveyance, transfer and assignment required in order to vest in the Buyer, all of Seller's right, title and interest in and to the Assets.
  - (b) The Buyer shall deliver to Seller the Cash Purchase Price in immediately available United States funds by wire transfer to an account designated by Seller.
  - (c) Buyer shall deliver the Warrant.
  - (d) Seller and Buyer shall execute the Lease Agreement as set forth below.
  - (e) Each party shall deliver such other and further documents and take such other and further actions as may be required to consummate the transaction contemplated by this Agreement.
5. The following shall apply with respect to the Warrant:
- (a) Buyer shall cause Nabors to issue to Seller, the Warrant.
  - (b) The exercise price in the Warrant shall be 115% of the Average Closing Price of the Common Stock of Nabors.
  - (c) The Warrant shall be exercisable by the Seller only for a period of two years from the date of Closing (the "Warrant

Term") and must be exercised in the full amount of the 650,000 shares of Common Stock which upon exercise will be registered and immediately available for sale without restriction.

- (d) Upon the sale by the Seller of the shares of Common Stock obtained through exercise of the Warrant, the "Excess Proceeds" from such sale shall be paid to Nabors within five (5) days of the date the proceeds are received by the Seller. The "Excess Proceeds" shall equal that amount,

2

3

but not less than zero, by which the amount of proceeds from sale of the Common Stock exceeds the sum of (1) the amount of the exercise price of the Warrant, (2) the amount of reasonable brokers commission paid on the sale of the Common Stock and (3) the amount of One Million Dollars (\$1,000,000).

- (e) Buyer shall have the absolute right, exercised in writing, at any time during the Warrant Term to buy back the Warrant for One Million Dollars (\$1,000,000) cash.

6. At Closing, Seller and Buyer shall enter into the Lease Agreement in the form of Attachment D which shall contain the following principal terms and conditions:

- (a) The term of the lease shall be for one year commencing on the Closing. The lease may be extended on terms and conditions agreed to by the parties.
- (b) The rental for the term shall be \$1.
- (c) During the term of the Lease Agreement, Buyer shall pay to Seller the direct costs of electricity and Buyer shall directly pay for the costs of all utilities utilized, security costs, trash pick up and all other costs of Buyer s use of the property, as well as ad valorem and other applicable taxes.
- (d) Buyer shall be liable for and defend, indemnify and hold Seller harmless from all claims, actions, proceedings and suits of any type or description arising after the Closing as a result of actions of the Buyer or the Buyers use of the property which is the subject of the Lease Agreement. Seller shall perform the environmental audit both prior to Buyer taking possession of the property and at the end of the term of said Lease Agreement and Buyer shall be liable to Seller

for any and all environmental damage which shall have occurred during the term of the Lease Agreement. It is further understood that Buyer shall be liable for any damage to the property during the term of the Lease Agreement save and except normal use. The Buyer agrees to return the property in the same condition and for the same purpose as it was on the commencement of the Lease Agreement. Specifically and without limitation to the preceding, Buyer shall not be responsible for, and Seller shall defend, indemnify and hold Buyer harmless from any and all liability arising or resulting from any release, discharge, placement, migration or movement of contaminants or pollutants into the environment from, to or on the property which is the subject of the Lease Agreement occurring prior to the Closing.

3

4

- (e) Seller shall be liable for and defend, indemnify and hold Buyer harmless from all claims, actions, proceedings and suits of any type or description arising prior to or after the Closing as a result of actions of the Seller or the Seller's use of the property which is the subject of the Lease Agreement.
- (f) The property shall be used by the Buyer in the same manner and for the same purposes as the property has been used by Seller.

7. The parties agree as follows with respect to future drilling activities of Seller:

- (a) If Seller requires the use of a drilling rig for future activity in the North Personville Drilling Program, Seller agrees to contract with Buyer to provide such drilling services for two years.
- (b) Rig 14, as set forth in Attachment A hereto, will be the rig provided by Buyer for work done pursuant to 7.(a) above, using the same or comparable crews maintaining its established drilling performance.
- (c) The parties agree that the dayrate for drilling in the North Personville Drilling Program will be \$5,500 per day. The parties further agree that the dayrate to be used will be applicable for both drilling days and estimated moving days. This dayrate will only be adjusted during the two years for general increases/decreases in crew wages, fuel costs and

changes in crew complement or rentals requested by Seller.

8. NOTWITHSTANDING ANYTHING THAT MAY BE CONTAINED HEREIN TO THE CONTRARY, SELLER EXPRESSLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, OF ANY KIND INCLUDING BUT NOT LIMITED TO MERCHANTABILITY, OF FITNESS, OR USE FOR A PARTICULAR PURPOSE OF ANY OF THE ASSETS. IT IS AGREED THAT PURCHASER HAS HAD THE OPPORTUNITY TO VISIBLY INSPECT THE ASSETS, HAS SATISFIED ITSELF AS TO THEIR CONDITION INSOFAR AS A VISIBLE INSPECTION PERMITS. ACCORDINGLY, THIS CONVEYANCE OF THE ASSETS IS MADE ON AN "AS IS" AND "WHERE IS" BASIS, AND IS ACCEPTED BY PURCHASER ON SUCH BASIS. The Assets shall be free and clear of all liens, mortgages, pledges, charges, security interests and encumbrances of any type or description. Delivery will be made to Buyer at Closing. Risk of loss of the Assets shall remain with the Seller until Closing.
9. This Letter Agreement may be terminated by either party after the scheduled closing date if the conditions set forth herein for Closing have not been fulfilled on or before the Scheduled Closing date.

4

5

10. All sales, use, transfer and similar taxes and all recording and similar fees applicable to the transaction contemplated by this agreement shall be paid by the Buyer. Each party to this Agreement shall pay all expenses incurred by it or on its behalf in connection with the preparation, authorization, execution and performance of this Agreement, including but not limited to all fees and expenses of agents, representatives, counsel and accountants engaged by it.
11. Buyer waives compliance by Seller and Seller waives compliance by Buyer with the applicable provisions of the Uniform Commercial code regarding bulk sales, or any other similar bulk sales law, as presently in effect, and Seller covenants and agrees to pay and discharge when due (and defend, indemnify and hold Buyer harmless from and against) all claims of creditors of the Seller which could be asserted against Buyer (or against the Assets) by reason of such non-compliance.
12. Each party represents and warrants on execution, and as of the date of Closing, as follows:
- (a) It is a corporation duly organized and validly existing and in good standing under the laws of its incorporation and is authorized to carry on its business in Texas as currently conducted and to own, lease and operate all property and

assets now owned, leased and operated by it.

- (b) It is authorized by all required corporate action to enter into this Letter Agreement, and to the transaction which is contemplated by this Agreement.
- (c) This Agreement is duly executed and validly delivered and will become legally binding and enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors rights generally and by general principles of equity (regardless of whether considered in a proceeding in equity or one at law), and by public policy.
- (d) The execution and delivery of this Letter Agreement and other documents to which it is a party in this transaction, and its performance hereunder, do not constitute a conflict with its certificate of incorporation or its by laws.

13. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

5

6

14. This Agreement shall be binding and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement may not be assigned by any party without the prior written consent of the other party except that Buyer may, at its discretion, assign its rights hereunder to purchase some or all of the Assets to one or more affiliated companies.

Dated this 4th day of April, 1994

NABORS DRILLING USA, INC.

/s/ Richard A. Stratton

-----  
By: Richard A. Stratton  
Its: President

/s/ Homer H. Hershey

-----  
By: Homer H. Hershey  
Its: Senior Vice President

[BAKER & MCKENZIE LETTERHEAD]

June 12, 1995

Nabors Industries, Inc.  
515 West Greens Road  
Houston, Texas 77067

Re: Nabors Industries, Inc. Common Stock

Gentlemen:

We refer to the Registration Statement on Form S-3 (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), being filed by Nabors Industries, Inc., a Delaware corporation (the "Company"), with the Securities and Exchange Commission (the "Commission") on or about June 12, 1995. The Registration Statement covers 650,000 shares (the "Shares") of common stock, par value \$.10 per share ("Common Stock") of the Company issuable upon exercise of a warrant that are to be offered from time to time pursuant to Rule 415 promulgated under the Securities Act by Mitchell Energy Corporation (the "Selling Stockholder").

We have examined the originals, or photostatic or certified copies, of such records of the Company, certificates of officers of the Company and of public officials, and such other documents as we have deemed relevant and necessary as the basis for the opinion set forth below. In such examination we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as photostatic or certified copies and the authenticity of the originals of such copies.

Based upon our examination, we are of the opinion that the Shares, when sold pursuant to, and in the manner set forth in, the Registration Statement, will be legally issued, fully paid and non-assessable.

We hereby consent to the use of our opinion as herein set forth as an exhibit to the Registration Statement and to the use of our name under the caption "Legal Opinion" in the

Nabors Industries, Inc.  
June 12, 1995  
Page 2



prospectus forming a part of the Registration Statement. This consent is not to be construed as an admission that we are a person whose consent is required to be filed with the Registration Statement under the provisions of the Securities Act.

Very truly yours,

Baker & McKenzie

## CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in this registration statement on Form S-3 of our reports dated November 28, 1994, on our audits of the financial statements and financial statement schedules of Nabors Industries, Inc. and Subsidiaries. We also consent to the reference to our firm under the caption "Experts."

/s/ Coopers & Lybrand L.L.P.

-----  
Coopers & Lybrand, L.L.P.

Houston, Texas  
June 9, 1995