

Baudoin Mark F  
 Form 4  
 May 24, 2007

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Baudoin Mark F

2. Issuer Name and Ticker or Trading Symbol  
 DIAMOND OFFSHORE DRILLING INC [DO]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)  
 \_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
 Senior Vice President

(Last) (First) (Middle)  
 15415 KATY FREEWAY, SUITE 100  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 05/22/2007

HOUSTON, TX 77094

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 \_\_\_ Form filed by More than One Reporting Person

(City) (State) (Zip)

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	05/22/2007		M		312 A \$ 83.44	312	D
Common Stock	05/22/2007		F		277 D \$ 94.19	35	D
Common Stock	05/22/2007		S		35 D \$ 94.15	0	D
Common Stock	05/22/2007		M		312 A \$ 71.87	312	D
Common Stock	05/22/2007		F		239 D \$ 94.19	73	D

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Common Stock	05/22/2007	S	73	D	\$ 94.15	0	D	
Common Stock	05/22/2007	M	312	A	\$ 79.77	312	D	
Common Stock	05/22/2007	F	265	D	\$ 94.19	47	D	
Common Stock	05/22/2007	S	47	D	\$ 94.15	0	D	
Common Stock						196,4229	I	By 401k Plan <sup>(1)</sup>

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

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
Stock Appreciation Right	\$ 83.44	05/22/2007		M	312	04/27/2007 <sup>(2)</sup> 07/03/2016	Common Stock	312
Stock Appreciation Right	\$ 71.87	05/22/2007		M	312	04/27/2007 <sup>(2)</sup> 10/02/2016	Common Stock	312
Stock Appreciation Right	\$ 79.77	05/22/2007		M	312	04/27/2007 <sup>(2)</sup> 12/31/2016	Common Stock	312

## Reporting Owners

Reporting Owner Name / Address Relationships

Reporting Owners

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Director    10% Owner    Officer    Other

Baudoin Mark F  
15415 KATY FREEWAY  
SUITE 100  
HOUSTON, TX 77094

Senior Vice President

## Signatures

/s/ William C. Long Attorney-in-Fact for Mark F.  
Baudoin

05/24/2007

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Based on a plan statement as of May 22, 2007.
  - (2) The stock appreciation rights vested on April 27, 2007.
  - (3) The stock appreciation rights vest in three annual installments beginning on April 27, 2008.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.  
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