

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)

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

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

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Senior Vice President

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 (A) or (D)		
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 <u>(1)</u>

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

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(9-02)

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 ⁽²⁾ 07/03/2016	Common Stock	312
Stock Appreciation Right	\$ 71.87	05/22/2007		M	312	04/27/2007 ⁽²⁾ 10/02/2016	Common Stock	312
Stock Appreciation Right	\$ 79.77	05/22/2007		M	312	04/27/2007 ⁽²⁾ 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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