

LONG WILLIAM C
Form 4
February 13, 2007

FORM 4

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

OMB APPROVAL

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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 *
LONG WILLIAM C

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)
02/09/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Senior VP, General Counsel

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 Price | | | | |
| Common Stock | 02/09/2007 | | M | | 343 | \$ 45.77 | 343 | D | |
| Common Stock | 02/09/2007 | | S | | 343 | \$ 84.7213 | 0 | D | |
| Common Stock | 02/09/2007 | | M | | 343 | \$ 53.6 | 343 | D | |
| Common Stock | 02/09/2007 | | S | | 343 | \$ 84.7213 | 0 | D | |
| Common Stock | 02/09/2007 | | M | | 343 | \$ 61.9 | 343 | D | |

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| | | | | | | | |
|--------------|------------|---|-----|---|------------|-----|---|
| Common Stock | 02/09/2007 | S | 343 | D | \$ 84.7213 | 0 | D |
| Common Stock | 02/09/2007 | M | 343 | A | \$ 69.38 | 343 | D |
| Common Stock | 02/09/2007 | S | 343 | D | \$ 84.7213 | 0 | D |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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 Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (right to buy) | \$ 45.77 | 02/09/2007 | | M | 343 | 04/19/2006 ⁽¹⁾ 04/19/2015 | Common Stock | 343 |
| Stock Option (right to buy) | \$ 53.6 | 02/09/2007 | | M | 343 | 04/19/2006 ⁽¹⁾ 07/01/2015 | Common Stock | 343 |
| Stock Option (right to buy) | \$ 61.9 | 02/09/2007 | | M | 343 | 04/19/2006 10/03/2015 | Common Stock | 343 |
| Stock Option (right to buy) | \$ 69.38 | 02/09/2007 | | M | 343 | 04/19/2006 12/31/2015 | Common Stock | 343 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| LONG WILLIAM C 15415 KATY FREEWAY SUITE 100 HOUSTON, TX 77094 | | | Senior VP, General Counsel | |

Signatures

| | |
|------------------------------------|------------|
| /s/ William C. Long | 02/13/2007 |
| **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) The options vested in two equal annual installments on May 18, 2005 and 2006.
 - (2) The options vest in three equal annual installments beginning on April 19, 2007.

Remarks:

Form 2 of 2 dated February 13, 2007

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