

VECCHIO JOHN M  
Form 4  
May 11, 2006

**FORM 4**

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

OMB APPROVAL

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Expires: January 31, 2005  
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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 \*  
VECCHIO JOHN M

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)  
05/11/2006

\_\_\_\_ 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 (A) or Price (D)   |  |                                   |
| Common Stock                    | 05/11/2006                           |  | M                              |   | 469 A \$ 29.33  | 469  | D                                 |
| Common Stock                    | 05/11/2006                           |  | S                              |   | 469 D \$ 97.5   | 0  | D                                 |
| Common Stock                    | 05/11/2006                           |  | M                              |   | 469 A \$ 29.2   | 469  | D                                 |
| Common Stock                    | 05/11/2006                           |  | S                              |   | 469 D \$ 97.5   | 0  | D                                 |
| Common Stock                    | 05/11/2006                           |  | M                              |   | 469 A \$ 19.88  | 469  | D                                 |

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|              |            |   |     |   |              |   |
|--------------|------------|---|-----|---|--------------|---|
| Common Stock | 05/11/2006 | S | 469 | D | \$ 97.5 0    | D |
| Common Stock | 05/11/2006 | M | 469 | A | \$ 21.93 469 | D |
| Common Stock | 05/11/2006 | S | 469 | D | \$ 97.5 0    | D |
| Common Stock | 05/11/2006 | M | 500 | A | \$ 45.77 500 | D |
| Common Stock | 05/11/2006 | S | 500 | D | \$ 97.5 0    | D |
| Common Stock | 05/11/2006 | M | 500 | A | \$ 53.6 500  | D |
| Common Stock | 05/11/2006 | S | 500 | D | \$ 97.5 0    | D |
| Common Stock | 05/11/2006 | M | 500 | A | \$ 61.9 500  | D |
| Common Stock | 05/11/2006 | S | 500 | D | \$ 97.5 0    | D |
| Common Stock | 05/11/2006 | M | 500 | A | \$ 69.38 500 | D |
| Common Stock | 05/11/2006 | S | 500 | D | \$ 97.5 0    | D |
| Common Stock | 05/11/2006 | M | 500 | A | \$ 19.78 500 | D |
| Common Stock | 05/11/2006 | S | 500 | D | \$ 97.5 0    | D |
| Common Stock | 05/11/2006 | M | 500 | A | \$ 21.23 500 | D |
| Common Stock | 05/11/2006 | S | 500 | D | \$ 97.5 0    | D |
| Common Stock | 05/11/2006 | M | 500 | A | \$ 19.08 500 | D |
| Common Stock | 05/11/2006 | S | 500 | D | \$ 97.5 0    | D |
| Common Stock | 05/11/2006 | M | 500 | A | \$ 20.77 500 | D |
| Common Stock | 05/11/2006 | S | 500 | D | \$ 97.5 0    | D |

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 Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (right to buy)                | \$ 29.33   | 05/11/2006                           |  | M                              | 496   | 04/15/2003 <sup>(1)</sup> 04/15/2012                     | Common Stock  | 496                           |
| Stock Option (right to buy)                | \$ 29.2  | 05/11/2006                           |  | M                              | 496   | 04/15/2003 <sup>(1)</sup> 07/01/2012                     | Common Stock  | 496                           |
| Stock Option (right to buy)                | \$ 19.88   | 05/11/2006                           |  | M                              | 496   | 04/15/2003 <sup>(1)</sup> 10/01/2012                     | Common Stock  | 496                           |
| Stock Option (right to buy)                | \$ 21.93   | 05/11/2006                           |  | M                              | 496   | 04/15/2003 <sup>(1)</sup> 12/31/2012                     | Common Stock  | 496                           |
| Stock Option (right to buy)                | \$ 45.77   | 05/11/2006                           |  | M                              | 500   | 04/19/2006 <sup>(2)</sup> 04/19/2015                     | Common Stock  | 500                           |
| Stock Option (right to buy)                | \$ 53.6  | 05/11/2006                           |  | M                              | 500   | 04/19/2006 <sup>(2)</sup> 07/01/2015                     | Common Stock  | 500                           |
| Stock Option (right to buy)                | \$ 61.9  | 05/11/2006                           |  | M                              | 500   | 04/19/2006 <sup>(2)</sup> 10/03/2015                     | Common Stock  | 500                           |

|                             |          |            |   |     |                           |            |              |     |
|-----------------------------|----------|------------|---|-----|---------------------------|------------|--------------|-----|
| Stock Option (right to buy) | \$ 69.38 | 05/11/2006 | M | 500 | 04/19/2006 <sup>(2)</sup> | 12/31/2015 | Common Stock | 500 |
| Stock Option (right to buy) | \$ 19.78 | 05/11/2006 | M | 500 | 04/22/2004 <sup>(4)</sup> | 04/22/2013 | Common Stock | 500 |
| Stock Option (right to buy) | \$ 21.23 | 05/11/2006 | M | 500 | 04/22/2004 <sup>(4)</sup> | 07/01/2013 | Common Stock | 500 |
| Stock Option (right to buy) | \$ 19.08 | 05/11/2006 | M | 500 | 04/22/2004 <sup>(4)</sup> | 10/01/2013 | Common Stock | 500 |
| Stock Option (right to buy) | \$ 20.77 | 05/11/2006 | M | 500 | 04/22/2004 <sup>(4)</sup> | 12/31/2013 | Common Stock | 500 |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                       |       |
|--|---------------|-----------|-----------------------|-------|
|  | Director      | 10% Owner | Officer               | Other |
| VECCHIO JOHN M<br>15415 KATY FREEWAY<br>SUITE 100<br>HOUSTON, TX 77094 |               |           | Senior Vice President |       |

## Signatures

/s/ William C. Long Attorney-in-Fact for John M. Vecchio

05/11/2006

\*\*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 four equal annual installments on April 15, 2003, 2004, 2005 and 2006.

(2) The options vested on April 19, 2006.

(3) The options vest in three equal annual installments beginning on April 19, 2007.

(4) The options vested in three equal annual installments on April 22, 2004, April 22, 2005 and April 22, 2006.

(5) The options vest on April 22, 2007.

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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