

Baudoin Mark F
 Form 4
 May 21, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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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 *
 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)
 05/17/2007

____ 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 | | | |
| Common Stock | 05/17/2007 | | M | | | 313 | \$ 19.78 | 313 | D |
| Common Stock | 05/17/2007 | | S | | | 313 | \$ 90 | 0 | D |
| Common Stock | 05/17/2007 | | M | | | 313 | \$ 21.23 | 313 | D |
| Common Stock | 05/17/2007 | | S | | | 313 | \$ 90 | 0 | D |
| Common Stock | 05/17/2007 | | M | | | 313 | \$ 19.08 | 313 | D |

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| | | | | | | | | |
|--------------|------------|---|-----|---|------------|----------|---|-------------------------------|
| Common Stock | 05/17/2007 | S | 313 | D | \$ 90 | 0 | D | |
| Common Stock | 05/17/2007 | M | 313 | A | \$ 20.77 | 313 | D | |
| Common Stock | 05/17/2007 | S | 313 | D | \$ 90 | 0 | D | |
| Common Stock | 05/17/2007 | M | 313 | A | \$ 45.77 | 313 | D | |
| Common Stock | 05/17/2007 | S | 313 | D | \$ 90 | 0 | D | |
| Common Stock | 05/17/2007 | M | 313 | A | \$ 61.9 | 313 | D | |
| Common Stock | 05/17/2007 | S | 313 | D | \$ 90 | 0 | D | |
| Common Stock | 05/17/2007 | M | 313 | A | \$ 53.6 | 313 | D | |
| Common Stock | 05/17/2007 | S | 313 | D | \$ 90 | 0 | D | |
| Common Stock | 05/17/2007 | M | 313 | A | \$ 69.38 | 313 | D | |
| Common Stock | 05/17/2007 | S | 313 | D | \$ 90 | 0 | D | |
| Common Stock | 05/18/2007 | M | 312 | A | \$ 22.49 | 312 | D | |
| Common Stock | 05/18/2007 | S | 312 | D | \$ 92.2833 | 0 | D | |
| Common Stock | 05/18/2007 | M | 312 | A | \$ 23.65 | 312 | D | |
| Common Stock | 05/18/2007 | S | 312 | D | \$ 92.2833 | 0 | D | |
| Common Stock | 05/18/2007 | M | 312 | A | \$ 32.78 | 312 | D | |
| Common Stock | 05/18/2007 | S | 312 | D | \$ 92.2833 | 0 | D | |
| Common Stock | 05/18/2007 | M | 312 | A | \$ 39.98 | 312 | D | |
| Common Stock | 05/18/2007 | S | 312 | D | \$ 92.2833 | 0 | D | |
| Common Stock | | | | | | 196.4074 | I | By 401(k) Plan ⁽¹⁾ |

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

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SEC 1474
(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) | \$ 19.78 | 05/17/2007 | | M | 313 | 04/22/2007 ⁽²⁾ 04/22/2013 | Common Stock | 313 |
| Stock Option (right to buy) | \$ 21.23 | 05/17/2007 | | M | 313 | 04/22/2007 ⁽²⁾ 07/01/2013 | Common Stock | 313 |
| Stock Option (right to buy) | \$ 19.08 | 05/17/2007 | | M | 313 | 04/22/2007 ⁽²⁾ 10/01/2013 | Common Stock | 313 |
| Stock Option (right to buy) | \$ 20.77 | 05/17/2007 | | M | 313 | 04/22/2007 ⁽²⁾ 12/31/2013 | Common Stock | 313 |
| Stock Option (right to buy) | \$ 45.77 | 05/17/2007 | | M | 313 | 04/19/2007 ⁽³⁾ 04/19/2015 | Common Stock | 313 |
| Stock Option (right to buy) | \$ 61.9 | 05/17/2007 | | M | 313 | 04/19/2007 ⁽³⁾ 10/03/2015 | Common Stock | 313 |
| | \$ 53.6 | 05/17/2007 | | M | 313 | 04/19/2007 ⁽³⁾ 07/01/2015 | | 313 |

| Stock Option (right to buy) | | | | | | | | | Common Stock | |
|-----------------------------|----------|------------|---|-----|---------------------------|------------|--|--|--------------|-----|
| Stock Option (right to buy) | \$ 69.38 | 05/17/2007 | M | 313 | 04/19/2007 ⁽³⁾ | 12/31/2015 | | | Common Stock | 313 |
| Stock Option (right to buy) | \$ 22.49 | 05/18/2007 | M | 312 | 05/18/2007 ⁽⁵⁾ | 05/18/2014 | | | Common Stock | 312 |
| Stock Option (right to buy) | \$ 23.65 | 05/18/2007 | M | 312 | 05/18/2007 ⁽⁵⁾ | 07/01/2014 | | | Common Stock | 312 |
| Stock Option (right to buy) | \$ 32.78 | 05/18/2007 | M | 312 | 05/18/2007 ⁽⁵⁾ | 10/01/2014 | | | Common Stock | 312 |
| Stock Option (right to buy) | \$ 39.98 | 05/18/2007 | M | 312 | 05/18/2007 ⁽⁵⁾ | 12/31/2014 | | | Common Stock | 312 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------|-------|
| | 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 05/21/2007

__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 18, 2007.
- (2) The options vested on April 22, 2007.
- (3) The options vested on April 19, 2007.

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- (4) The options vest in two annual installments beginning on April 19, 2008.
- (5) The options vested on May 18, 2007.
- (6) The options vest on May 18, 2008.

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