

GORDON BETH G

Form 4

February 13, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
GORDON BETH G

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

3. Date of Earliest Transaction
(Month/Day/Year)
02/09/2007

____ Director ____ 10% Owner
__X__ Officer (give title ____ Other (specify
below) below)
Controller

(Street)
HOUSTON, TX 77094

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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 (D) Price			
Common Stock	02/09/2007		M		188	A \$ 22.49	188		D
Common Stock	02/09/2007		S		188	D \$ 86.15	0		D
Common Stock	02/09/2007		M		188	A \$ 23.65	188		D
Common Stock	02/09/2007		S		188	D \$ 86.15	0		D
Common Stock	02/09/2007		M		188	A \$ 32.78	188		D

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Common Stock	02/09/2007	S	188	D	\$ 86.15	0	D
Common Stock	02/09/2007	M	188	A	\$ 39.98	188	D
Common Stock	02/09/2007	S	188	D	\$ 86.15	0	D

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 Securities (Instr. 3 and 4)		8. Amount or Number of Shares	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (right to buy)	\$ 22.49	02/09/2007		M		188		05/18/2006 ⁽¹⁾	05/18/2014	Common Stock	188
Stock Option (right to buy)	\$ 23.65	02/09/2007		M		188		05/18/2006 ⁽¹⁾	07/01/2014	Common Stock	188
Stock Option (right to buy)	\$ 32.78	02/09/2007		M		188		05/18/2006 ⁽¹⁾	10/01/2014	Common Stock	188
Stock Option (right to buy)	\$ 39.98	02/09/2007		M		188		05/18/2006 ⁽¹⁾	12/31/2014	Common Stock	188

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GORDON BETH G 15415 KATY FREEWAY SUITE 100 HOUSTON, TX 77094			Controller	

Signatures

/s/ William C. Long Attorney-in-Fact for Beth G. Gordon
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 on May 18, 2006.
- (2) The options vest in two equal annual installments beginning on May 18, 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.