

KRENEK GARY T  
Form 4  
May 23, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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 \*  
KRENEK GARY T

2. Issuer Name and Ticker or Trading Symbol  
DIAMOND OFFSHORE DRILLING INC [DO]

5. Relationship of Reporting Person(s) to Issuer  
(Check all applicable)  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Senior Vice President-CFO

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

3. Date of Earliest Transaction (Month/Day/Year)  
05/21/2007

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 Indirect Beneficial Ownership (Instr. 4)	
				(A) or (D)	Price			
				Code	V	Amount		
Common Stock	05/21/2007		M	343	A	\$ 83.44	343	D
Common Stock	05/21/2007		F	310	D	\$ 92.545	33	D
Common Stock	05/21/2007		S	33	D	\$ 94.52	0	D
Common Stock	05/21/2007		M	343	A	\$ 71.87	343	D
Common Stock	05/21/2007		F	267	D	\$ 92.545	76	D

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Common Stock	05/21/2007	S	76	D	\$ 94.52	0	D	
Common Stock	05/21/2007	M	343	A	\$ 79.77	343	D	
Common Stock	05/21/2007	F	296	D	\$ 92.545	47	D	
Common Stock	05/21/2007	S	47	D	\$ 94.52	0	D	
Common Stock						2,093.5111	I	By 401k Plan <sup>(1)</sup>

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 Security (Instr. 3 and 4)	Amount or Number of Shares
Stock Appreciation Right	\$ 83.44	05/21/2007		M	343	04/27/2007 <sup>(2)</sup> 07/03/2016	Common Stock	343
Stock Appreciation Right	\$ 71.87	05/21/2007		M	343	04/27/2007 <sup>(2)</sup> 10/02/2016	Common Stock	343
Stock Appreciation Right	\$ 79.77	05/21/2007		M	343	04/27/2007 <sup>(2)</sup> 12/31/2016	Common Stock	343

## Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director 10% Owner Officer Other

KRENEK GARY T  
15415 KATY FREEWAY  
SUITE 100  
HOUSTON, TX 77094

Senior Vice President-CFO

## Signatures

/s/ William C. Long Attorney-in-Fact for Gary T.  
Krenek

05/23/2007

\_\_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 21, 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.

### Remarks:

Form 2 of 2 dated May 23, 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.