

DIAMOND OFFSHORE DRILLING INC  
 Form 4  
 September 20, 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 \*  
 REBELL ARTHUR L

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)  
 677 MADISON AVENUE  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 09/18/2007

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

NEW YORK, NY 10021  
 (City) (State) (Zip)

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

**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)
				Code	V Amount Price			
Common Stock	09/18/2007		M	500	A \$ 69.38	500	D	
Common Stock	09/18/2007		S	500	D \$ 107.1796	0	D	
Common Stock	09/18/2007		M	500	A \$ 89.39	500	D	
Common Stock	09/18/2007		S	500	D \$ 107.1796	0	D	
Common Stock	09/18/2007		M	500	A \$ 83.44	500	D	

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Common Stock	09/18/2007	S	500	D	\$ 107.1796	0	D
Common Stock	09/18/2007	M	500	A	\$ 71.87	500	D
Common Stock	09/18/2007	S	500	D	\$ 107.1796	0	D
Common Stock	09/18/2007	M	500	A	\$ 79.77	500	D
Common Stock	09/18/2007	S	500	D	\$ 107.1796	0	D
Common Stock	09/18/2007	M	500	A	\$ 81.42	500	D
Common Stock	09/18/2007	S	500	D	\$ 107.1796	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. P Der Sec (Ins	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (right to buy)	\$ 69.38	09/18/2007		M	500	01/03/2006	01/03/2016	Common Stock	500
Stock Option (right to buy)	\$ 89.39	09/18/2007		M	500	04/03/2006	04/03/2016	Common Stock	500
	\$ 83.44	09/18/2007		M	500	07/03/2006	07/03/2016		500

