

DICKERSON LAWRENCE R
 Form 4
 July 03, 2008

FORM 4

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

OMB APPROVAL

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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 *
 DICKERSON LAWRENCE R

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)
 07/02/2008

Director 10% Owner
 Officer (give title below) Other (specify below)
 President and C.E.O.

(Street)
 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 (D)	Price
Common Stock	07/02/2008		M		1,407	A	\$ 22.49
Common Stock	07/02/2008		S		1,407	D	\$ 142 0
Common Stock	07/02/2008		M		1,407	A	\$ 23.65
Common Stock	07/02/2008		S		1,407	D	\$ 142 0
Common Stock	07/02/2008		M		1,407	A	\$ 32.78

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Common Stock	07/02/2008	S	1,407	D	\$ 142	0	D
Common Stock	07/02/2008	M	1,407	A	\$ 39.98	1,407	D
Common Stock	07/02/2008	S	1,407	D	\$ 142	0	D
Common Stock	07/02/2008	M	1,406	A	\$ 45.77	1,406	D
Common Stock	07/02/2008	S	1,406	D	\$ 142	0	D
Common Stock	07/02/2008	M	1,406	A	\$ 53.6	1,406	D
Common Stock	07/02/2008	S	1,406	D	\$ 142	0	D
Common Stock	07/02/2008	M	1,406	A	\$ 61.9	1,406	D
Common Stock	07/02/2008	S	1,406	D	\$ 142	0	D
Common Stock	07/02/2008	M	1,406	A	\$ 69.38	1,406	D
Common Stock	07/02/2008	S	1,406	D	\$ 142	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
	\$ 22.49	07/02/2008		M	1,407	05/18/2008 05/18/2014		1,407

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Stock Option (right to buy)								Common Stock	
Stock Option (right to buy)	\$ 23.65	07/02/2008	M	1,407	05/18/2008	07/01/2014	Common Stock	1,407	
Stock Option (right to buy)	\$ 32.78	07/02/2008	M	1,407	05/18/2008	10/01/2014	Common Stock	1,407	
Stock Option (right to buy)	\$ 39.98	07/02/2008	M	1,407	05/18/2008	12/31/2014	Common Stock	1,407	
Stock Option (right to buy)	\$ 45.77	07/02/2008	M	1,406	04/19/2008	04/19/2015	Common Stock	1,406	
Stock Option (right to buy)	\$ 53.6	07/02/2008	M	1,406	04/19/2008	07/01/2015	Common Stock	1,406	
Stock Option (right to buy)	\$ 61.9	07/02/2008	M	1,406	04/19/2008	10/03/2015	Common Stock	1,406	
Stock Option (right to buy)	\$ 69.38	07/02/2008	M	1,406	04/19/2008	12/31/2015	Common Stock	1,406	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DICKERSON LAWRENCE R 15415 KATY FREEWAY SUITE 100 HOUSTON, TX 77094	X		President and C.E.O.	

Signatures

/s/ William C. Long Attorney-in-fact for Lawrence R.
Dickerson

07/03/2008

__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 vest on April 19, 2009.

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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