

KRENEK GARY T  
Form 4  
September 15, 2009

**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 \*  
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)  
09/11/2009

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 Price			
Common Stock	09/11/2009		M	344	A \$ 45.77	344	D	
Common Stock	09/11/2009		S	344	D \$ 94.2985	0	D	
Common Stock	09/11/2009		M	344	A \$ 53.6	344	D	
Common Stock	09/11/2009		S	344	D \$ 94.2985	0	D	
Common Stock	09/11/2009		M	500	A \$ 59.19	500	D	

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Common Stock	09/11/2009	F	318	D	\$ 92.84	182	D	
Common Stock	09/11/2009	S	182	D	\$ 94.2985	500	D	
Common Stock						1,239.2583	I	By 401(k) Plan <sup>(1)</sup>

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 Security (Instr. 3 and 4)	Amount or Number of Shares
Stock Option (right to buy)	\$ 45.77	09/11/2009		M	344	04/19/2009 <sup>(2)</sup> 04/19/2015	Common Stock	344
Stock Option (right to buy)	\$ 53.6	09/11/2009		M	344	04/19/2009 <sup>(2)</sup> 07/01/2015	Common Stock	344
Stock Appreciation Right	\$ 59.19	09/11/2009		M	500	04/01/2009 <sup>(3)</sup> 12/31/2018	Common Stock	500

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

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

Director 10% Owner Officer Other

Senior Vice President-CFO

## Signatures

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

09/15/2009

\_\_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 September 14, 2009.
- (2) The options vested on April 19, 2009.
- (3) The stock appreciation right vested on April 1, 2009.
- (4) The stock appreciation rights vest in three annual installments beginning on April 1, 2010.

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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