

DIAMOND OFFSHORE DRILLING INC
 Form 4
 December 27, 2007

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 *
 TISCH JAMES S

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)
 667 MADISON AVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/21/2007

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

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 (A) or (D) Price		
Common Stock	12/21/2007		M		1,875 A \$ 19.78	1,875	D
Common Stock	12/21/2007		S		1,875 D \$ 138.2716	0	D
Common Stock	12/21/2007		M		1,875 A \$ 21.23	1,875	D
Common Stock	12/21/2007		S		1,875 D \$ 138.2716	0	D
Common Stock	12/21/2007		M		1,875 A \$ 19.08	1,875	D

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Common Stock	12/21/2007	S	1,875	D	\$ 138.2716	0	D
Common Stock	12/21/2007	M	1,875	A	\$ 20.77	1,875	D
Common Stock	12/21/2007	S	1,875	D	\$ 138.2716	0	D
Common Stock	12/21/2007	M	1,875	A	\$ 22.49	1,875	D
Common Stock	12/21/2007	S	1,875	D	\$ 138.2716	0	D
Common Stock	12/21/2007	M	1,875	A	\$ 23.65	1,875	D
Common Stock	12/21/2007	S	1,875	D	\$ 138.2716	0	D
Common Stock	12/21/2007	M	1,875	A	\$ 32.78	1,875	D
Common Stock	12/21/2007	S	1,875	D	\$ 138.2716	0	D
Common Stock	12/21/2007	M	1,875	A	\$ 39.98	1,875	D
Common Stock	12/21/2007	S	1,875	D	\$ 138.2716	0	D
Common Stock	12/21/2007	M	3,750	A	\$ 45.77	3,750	D
Common Stock	12/21/2007	S	3,750	D	\$ 138.2716	0	D
Common Stock	12/21/2007	M	3,750	A	\$ 53.6	3,750	D
Common Stock	12/21/2007	S	3,750	D	\$ 138.2716	0	D
Common Stock	12/21/2007	M	3,750	A	\$ 61.9	3,750	D
Common Stock	12/21/2007	S	3,750	D	\$ 138.2716	0	D
Common Stock	12/21/2007	M	3,750	A	\$ 69.38	3,750	D
Common Stock	12/21/2007	S	3,750	D	\$ 138.2716	0	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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required to respond unless the form displays a currently valid OMB control number.

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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (right to buy)	\$ 19.78	12/21/2007		M	1,875	04/22/2007	04/22/2013	Common Stock	1,875
Stock Option (right to buy)	\$ 21.23	12/21/2007		M	1,875	04/22/2007	07/01/2013	Common Stock	1,875
Stock Option (right to buy)	\$ 19.08	12/21/2007		M	1,875	04/22/2007	10/01/2013	Common Stock	1,875
Stock Option (right to buy)	\$ 20.77	12/21/2007		M	1,875	04/22/2007	12/31/2013	Common Stock	1,875
Stock Option (right to buy)	\$ 22.49	12/21/2007		M	1,875	05/18/2007	05/18/2014	Common Stock	1,875
Stock Option (right to buy)	\$ 23.65	12/21/2007		M	1,875	05/18/2007	07/01/2014	Common Stock	1,875
Stock Option (right to buy)	\$ 32.78	12/21/2007		M	1,875	05/18/2007	10/01/2014	Common Stock	1,875

Stock Option (right to buy)	\$ 39.98	12/21/2007	M	1,875	05/18/2007	12/31/2014	Common Stock	1,875
Stock Option (right to buy)	\$ 45.77	12/21/2007	M	3,750	04/19/2006 ⁽²⁾	04/19/2015	Common Stock	3,750
Stock Option (right to buy)	\$ 53.6	12/21/2007	M	3,750	04/19/2006 ⁽²⁾	07/01/2015	Common Stock	3,750
Stock Option (right to buy)	\$ 61.9	12/21/2007	M	3,750	04/19/2006 ⁽²⁾	10/03/2015	Common Stock	3,750
Stock Option (right to buy)	\$ 69.38	12/21/2007	M	3,750	04/19/2006 ⁽²⁾	12/31/2015	Common Stock	3,750

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TISCH JAMES S 667 MADISON AVE NEW YORK, NY 10021	X		Chief Executive Officer	

Signatures

/s/ William C. Long Attorney-in-Fact for James S. Tisch 12/27/2007

**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 vest on May 18, 2008.
 - (2) The options vested in two equal annual installments on April 19, 2006 and April 19, 2007.
 - (3) The options vest in two equal annual installments on April 19, 2008 and April 19, 2009.

Remarks:

Form 1 of 2 dated December 27, 2007.

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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