

DIAMOND OFFSHORE DRILLING INC
 Form 4
 September 20, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
 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)

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

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

677 MADISON AVENUE

(Street)

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

NEW YORK, NY 10021

(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)
				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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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 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

Stock Option (right to buy)								Common Stock	
Stock Option (right to buy)	\$ 71.87	09/18/2007		M	500	10/02/2006	10/02/2016	Common Stock	500
Stock Option (right to buy)	\$ 79.77	09/18/2007		M	500	01/02/2007	01/02/2017	Common Stock	500
Stock Option (right to buy)	\$ 81.42	09/18/2007		M	500	04/02/2007	04/02/2017	Common Stock	500

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
REBELL ARTHUR L 677 MADISON AVENUE NEW YORK, NY 10021		X		

Signatures

/s/ William C. Long Attorney-in-Fact for Arthur L. Rebell
 09/20/2007

__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).

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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