

DIAMOND OFFSHORE DRILLING INC
 Form 4
 December 31, 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 *
 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
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/27/2007

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

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	12/27/2007		M		1,406 A \$ 92.67	1,406	D	
Common Stock	12/27/2007		F		892 D \$ 146.02	514	D	
Common Stock	12/27/2007		S		514 D \$ 143.6026	0	D	
Common Stock	12/27/2007		M		1,406 A \$ 83.44	1,406	D	
Common Stock	12/27/2007		F		803 D \$ 146.02	603	D	

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Common Stock	12/27/2007	S	603	D	\$ 143.6026	0	D
Common Stock	12/27/2007	M	1,406	A	\$ 71.87	1,406	D
Common Stock	12/27/2007	F	692	D	\$ 146.02	714	D
Common Stock	12/27/2007	S	714	D	\$ 143.6026	0	D
Common Stock	12/27/2007	M	1,406	A	\$ 79.77	1,406	D
Common Stock	12/27/2007	F	768	D	\$ 146.02	638	D
Common Stock	12/27/2007	S	638	D	\$ 143.6026	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)	Amount or Number of Shares
Stock Appreciation Right	\$ 92.67	12/27/2007		M	1,406	04/27/2007 04/27/2016	Common Stock	1,400
Stock Appreciation Right	\$ 83.44	12/27/2007		M	1,406	04/27/2007 07/03/2016	Common Stock	1,400
Stock Appreciation Right	\$ 71.87	12/27/2007		M	1,406	04/27/2007 10/02/2016	Common Stock	1,400

Stock

Appreciation \$ 79.77 12/27/2007 M 1,406 04/27/2007 12/31/2016 Common Stock 1,400
 Right

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.O.O.	

Signatures

/s/ William C. Long Attorney-in-Fact for Lawrence R.
 Dickerson 12/31/2007

__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 stock appreciation rights vest in three annual installments beginning on April 27, 2008.

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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