

WILLIAMS CLAY C  
Form 4  
March 15, 2005

**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 \*  
**WILLIAMS CLAY C**

2. Issuer Name and Ticker or Trading Symbol  
**NATIONAL OILWELL VARCO INC [NOV]**

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

(Last) (First) (Middle)  
  
**2000 WEST SAM HOUSTON PARKWAY SOUTH, SUITE 1700**  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**03/11/2005**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**Vice President and CFO**

**HOUSTON, TX 77042**

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)
				(A) or (D) Amount (D) Price			
Common Stock	03/11/2005		A	20,023 A <u>11</u> Price	20,023	D	

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

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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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	
Stock Option (right to buy)	\$ 16.75	03/11/2005		A	21,660	03/11/2005 01/30/2012	Common Stock	21,660
Stock Option (right to buy)	\$ 20.07	03/11/2005		A	37,382	03/11/2005 01/29/2013	Common Stock	37,382
Stock Option (right to buy)	\$ 26.17	03/11/2005		A	28,685	03/11/2005 01/28/2014	Common Stock	28,685
Stock Option (right to buy)	\$ 36.34	03/11/2005		A	26,343	01/26/2006 <sup>(6)</sup> 01/26/2015	Common Stock	26,343
Phantom Stock	<u>7</u>	03/11/2005		A	17	03/11/2005 <sup>(8)</sup> <sup>(8)</sup>	Common Stock	17

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WILLIAMS CLAY C 2000 WEST SAM HOUSTON PARKWAY SOUTH SUITE 1700 HOUSTON, TX 77042			Vice President and CFO	

## Signatures

Clay C. Williams 03/15/2005

\*\*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) Received in exchange for 23,943 shares of Varco International, Inc. ("Varco") in connection with the merger of Varco with and into the Issuer (the "Merger") based on the Merger Exchange Ratio. At the Effective Time of the Merger, the closing price of Varco's common stock was \$40.60 per share and the closing price of the Issuer's common stock was \$48.85 per share.
- (2) Received in the Merger in exchange for options to acquire 25,900 shares of Varco common stock with an exercise price of \$14.00 per share, based on the Merger Exchange Ratio.
- (3) Received in the Merger in exchange for options to acquire 44,700 shares of Varco common stock with an exercise price of \$16.78 per share, based on the Merger Exchange Ratio.
- (4) Received in the Merger in exchange for options to acquire 34,300 shares of Varco common stock with an exercise price of \$21.88 per share, based on the Merger Exchange Ratio.
- (5) Received in the Merger in exchange for options to acquire 31,500 shares of Varco common stock with an exercise price of \$30.39 per share, based on the Merger Exchange Ratio.
- (6) Options vest in three (3) equal annual installments commencing on the date indicated.
- (7) Converts on a 1-for-1 basis.
- (8) The Phantom Stock is payable in cash or common stock following termination of the reporting person's employment with the Issuer; subject to earlier withdrawal or transfer in accordance with the terms of the Issuer's Deferred Compensation Plan.
- (9) The phantom stock was assumed by NOV in the merger in exchange for 21 shares of phantom stock of Varco pursuant to the Exchange Ratio applicable to the merger.

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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