

DIAMOND OFFSHORE DRILLING INC
 Form 4
 May 21, 2008

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)

(Last) (First) (Middle)
 15415 KATY FREEWAY, SUITE 100
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 05/19/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Senior Vice President-CFO

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 Indirect Ownership (Instr. 4)
				Code	V Amount Price			
Common Stock	05/19/2008		M	313	A \$ 22.49	313	D	
Common Stock	05/19/2008		S	313	D \$ 142.8638	0	D	
Common Stock	05/19/2008		M	313	A \$ 23.65	313	D	
Common Stock	05/19/2008		S	313	D \$ 142.8638	0	D	
Common Stock	05/19/2008		M	313	A \$ 32.78	313	D	

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Common Stock	05/19/2008	S	313	D	\$ 142.8638	0	D
Common Stock	05/19/2008	M	313	A	\$ 39.98	313	D
Common Stock	05/19/2008	S	313	D	\$ 142.8638	0	D
Common Stock	05/19/2008	M	344	A	\$ 45.77	344	D
Common Stock	05/19/2008	S	344	D	\$ 142.8638	0	D
Common Stock	05/19/2008	M	344	A	\$ 53.6	344	D
Common Stock	05/19/2008	S	344	D	\$ 142.8638	0	D
Common Stock	05/19/2008	M	344	A	\$ 61.9	344	D
Common Stock	05/19/2008	S	344	D	\$ 142.8638	0	D
Common Stock	05/19/2008	M	344	A	\$ 69.38	344	D
Common Stock	05/19/2008	S	344	D	\$ 142.8638	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)	8. Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title

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Stock Option (right to buy)	\$ 22.49	05/19/2008	M	313	05/18/2008 ⁽¹⁾	05/18/2014	Common Stock	313
Stock Option (right to buy)	\$ 23.65	05/19/2008	M	313	05/18/2008 ⁽¹⁾	07/01/2014	Common Stock	313
Stock Option (right to buy)	\$ 32.78	05/19/2008	M	313	05/18/2008 ⁽¹⁾	10/01/2014	Common Stock	313
Stock Option (right to buy)	\$ 39.98	05/19/2008	M	313	05/18/2008 ⁽¹⁾	12/31/2014	Common Stock	313
Stock Option (right to buy)	\$ 45.77	05/19/2008	M	344	04/19/2008 ⁽²⁾	04/19/2015	Common Stock	344
Stock Option (right to buy)	\$ 53.6	05/19/2008	M	344	04/19/2008 ⁽²⁾	07/01/2015	Common Stock	344
Stock Option (right to buy)	\$ 61.9	05/19/2008	M	344	04/19/2008 ⁽²⁾	10/03/2015	Common Stock	344
Stock Option (right to buy)	\$ 69.38	05/19/2008	M	344	04/19/2008 ⁽²⁾	12/31/2015	Common Stock	344

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KRENEK GARY T 15415 KATY FREEWAY SUITE 100 HOUSTON, TX 77094			Senior Vice President-CFO	

Signatures

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

05/21/2008

__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 vested on May 18, 2008.
 - (2) The options vested on April 19, 2008.
 - (3) The options vest on April 19, 2009.

Remarks:

Form 1 of 2 dated May 21, 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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