

Dew Lyndol L  
 Form 4  
 October 28, 2009

**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 \*  
 Dew Lyndol 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)  
 15415 KATY FREEWAY, SUITE 100  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 10/26/2009

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

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	10/26/2009		M	312	A \$ 83.44	312	D	
Common Stock	10/26/2009		F	244	D \$ 106.57	68	D	
Common Stock	10/26/2009		S	68	D \$ 106.7458	0	D	
Common Stock	10/26/2009		M	312	A \$ 71.87	312	D	
Common Stock	10/26/2009		F	210	D \$ 106.57	102	D	

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Common Stock	10/26/2009	S	102	D	\$ 106.7458	0	D
Common Stock	10/26/2009	M	312	A	\$ 79.77	312	D
Common Stock	10/26/2009	F	233	D	\$ 106.57	79	D
Common Stock	10/26/2009	S	79	D	\$ 106.7458	0	D
Common Stock	10/26/2009	M	500	A	\$ 81.42	500	D
Common Stock	10/26/2009	F	382	D	\$ 106.57	118	D
Common Stock	10/26/2009	S	118	D	\$ 106.7458	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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Appreciation Right	\$ 83.44	10/26/2009		M	312	04/27/2009	07/03/2016	Common Stock	312
Stock Appreciation Right	\$ 71.87	10/26/2009		M	312	04/27/2009	10/02/2016	Common Stock	312
Stock Appreciation Right	\$ 79.77	10/26/2009		M	312	04/27/2009	12/31/2016	Common Stock	312

Stock										
Appreciation Right	\$ 81.42	10/26/2009		M	500	04/02/2009	04/02/2017	Common Stock		500

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Dew Lyndol L 15415 KATY FREEWAY SUITE 100 HOUSTON, TX 77094			Senior Vice President	

## Signatures

/s/ William C. Long Attorney-in-Fact for Lyndol L. Dew	10/28/2009
<small>**Signature of Reporting Person</small>	<small>Date</small>

## 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 on April 27, 2010.
  - (2) The stock appreciation rights vest in two annual installments beginning on April 2, 2010.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.