Baudoin Mark F Form 4 September 17, 2009

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

OMB 3235-0287

Number: January 31, Expires: 2005

OMB APPROVAL

if no longer subject to Section 16. Form 4 or Form 5

Check this box

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Estimated average burden hours per 0.5 response...

obligations may continue. See Instruction

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

1(b).

(City)

(State)

(Zip)

(Print or Type Responses)

1. Name and Address of Reporting Person * Baudoin Mark F			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) 15415 KATY 100	(First) (Middle)		3. Date of Earliest Transaction (Month/Day/Year) 09/16/2009	Director 10% Owner X Officer (give title Other (specification) below) Senior Vice President		
	(Street)		4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting		
HOUSTON,	ΓX 77094			Person		

Table I - Non-Derivative	Securities Acquired	Disposed of, or	r Beneficially Owned

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1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	3. 4. Securities Acquired (A) Transactiom Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)			5. Amount of Securities Beneficially Owned Following Reported	6. Ownership Form: Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership (Instr. 4)		
			Code V	Amount	or (D)	Price	Transaction(s) (Instr. 3 and 4)	(Instr. 4)	
Common Stock	09/16/2009		M	313	A	\$ 45.77	313	D	
Common Stock	09/16/2009		S	313	D	\$ 96.9891	0	D	
Common Stock	09/16/2009		M	313	A	\$ 53.6	313	D	
Common Stock	09/16/2009		S	313	D	\$ 96.9891	0	D	
Common Stock	09/16/2009		M	313	A	\$ 61.9	313	D	

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Common Stock	09/16/2009	S	313	D	\$ 96.9891	0	D	
Common Stock	09/16/2009	M	500	A	\$ 59.19	500	D	
Common Stock	09/16/2009	F	315	D	\$ 93.82	185	D	
Common Stock	09/16/2009	S	185	D	\$ 96.9891	0	D	
Common Stock						230.5597	I	By 401K Plan <u>(1)</u>

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

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SEC 1474

(9-02)

 $\label{thm:convergence} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (e.g., puts, calls, warrants, options, convertible securities) \end{tabular}$

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. Transactic Code (Instr. 8)	5. Number on f 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 Underlying Securitie (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amou or Numb of Shares
Stock Option (right to buy)	\$ 45.77	09/16/2009		M	313	04/19/2009(2)	04/19/2015	Common Stock	313
Stock Option (right to buy)	\$ 53.6	09/16/2009		M	313	04/19/2009(2)	07/01/2015	Common Stock	313
Stock Option (right to buy)	\$ 61.9	09/16/2009		M	313	04/19/2009(2)	10/03/2015	Common Stock	313
Stock Appreciation Right	\$ 59.19	09/16/2009		M	500	04/01/2009(3)	12/31/2018	Common Stock	500

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Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Baudoin Mark F 15415 KATY FREEWAY SUITE 100 HOUSTON, TX 77094

Senior Vice President

Signatures

/s/ William C. Long Attorney-in-Fact for Mark F. Baudoin

09/17/2009

**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) Based on a plan statement as of September 16, 2009.
- (2) The options vested on April 19, 2009.
- (3) The stock appreciation right vested on April 1, 2009.
- (4) The stock appreciation rights vest in three annual installments beginning on April 1, 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.

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