

McKenzie Donald  
 Form 4  
 December 14, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
 McKenzie Donald

2. Issuer Name and Ticker or Trading Symbol  
 SMITH INTERNATIONAL INC [SII]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 PO BOX 60068  
 (Street)

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

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 President & CEO M-I SWACO

HOUSTON, TX 77205

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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	12/12/2007		M		350	A	\$ 28.13
Common Stock	12/12/2007		M		13,000	A	\$ 19.41
Common Stock	12/12/2007		S		5	D	\$ 67.95
Common Stock	12/12/2007		S		200	D	\$ 67.94
Common Stock	12/12/2007		S		2,600	D	\$ 67.9

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Common Stock	12/12/2007	S	1,800	D	\$ 67.88	54,587	D
Common Stock	12/12/2007	S	300	D	\$ 67.87	54,287	D
Common Stock	12/12/2007	S	2,845	D	\$ 67.86	51,442	D
Common Stock	12/12/2007	S	700	D	\$ 67.85	50,742	D
Common Stock	12/12/2007	S	700	D	\$ 67.84	50,042	D
Common Stock	12/12/2007	S	700	D	\$ 67.83	49,342	D
Common Stock	12/12/2007	S	700	D	\$ 67.82	48,642	D
Common Stock	12/12/2007	S	900	D	\$ 67.81	47,742	D
Common Stock	12/12/2007	S	1,900	D	\$ 67.8	45,842	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	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 28.13	12/12/2007		M	350	12/07/2007	12/07/2014	Common Stock	350
Employee Stock	\$ 19.41	12/12/2007		M	13,000	12/02/2007	12/02/2013	Common Stock	13,000

Option  
(right to  
buy)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
McKenzie Donald PO BOX 60068 HOUSTON, TX 77205			President & CEO M-I SWACO	

## Signatures

Donald  
McKenzie

12/12/2007

\_\_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).

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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