

GORDON BETH G
Form 4
April 27, 2006

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 *
GORDON BETH G

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

3. Date of Earliest Transaction (Month/Day/Year)
04/25/2006

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
Controller

(Street)
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 or Price		
Common Stock	04/25/2006		M		\$ 187 19.78	D	
Common Stock	04/25/2006		S		\$ 187 95.63	D	
Common Stock	04/25/2006		M		\$ 187 21.23	D	
Common Stock	04/25/2006		S		\$ 187 95.63	D	
Common Stock	04/25/2006		M		\$ 187 19.08	D	

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Common Stock	04/25/2006	S	187	D	\$ 95.63	0	D
Common Stock	04/25/2006	M	187	A	\$ 20.77	187	D
Common Stock	04/25/2006	S	187	D	\$ 95.63	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
Stock Option (right to buy)	\$ 19.78	04/25/2006		M	187	04/22/2004 ⁽¹⁾ 04/22/2013	Common Stock	187
Stock Option (right to buy)	\$ 21.23	04/25/2006		M	187	04/22/2004 ⁽¹⁾ 07/01/2013	Common Stock	187
Stock Option (right to buy)	\$ 19.08	04/25/2006		M	187	04/22/2004 ⁽¹⁾ 10/01/2013	Common Stock	187
Stock Option (right to buy)	\$ 20.77	04/25/2006		M	187	04/22/2004 ⁽¹⁾ 12/31/2013	Common Stock	187

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GORDON BETH G 15415 KATY FREEWAY SUITE 100 HOUSTON, TX 77094			Controller	

Signatures

/s/ William C. Long Attorney-in-Fact for Beth G. Gordon	04/27/2006
**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 in three equal annual installments on April 22, 2004, April 22, 2005 and April 22, 2006.
 - (2) The options vest on April 22, 2007.

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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