

Baudoin Mark F
 Form 3
 December 26, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â Baudoin Mark F		(Month/Day/Year)	DIAMOND OFFSHORE DRILLING INC [DO]	
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
		12/15/2006		
15415 KATY FREEWAY,Â SUITE 100			(Check all applicable)	
(Street)			<input type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
			<input checked="" type="checkbox"/> Officer	<input type="checkbox"/> Other
HOUSTON,Â TXÂ 77094			(give title below)	(specify below)
(City)	(State)	(Zip)	Senior Vice President	6. Individual or Joint/Group Filing(Check Applicable Line)
				<input checked="" type="checkbox"/> Form filed by One Reporting Person
				<input type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	156.0876	I	By 401(k) Plan

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

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Title			

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		Expiration Date		Amount or Number of Shares		or Indirect (I) (Instr. 5)	
Stock Option (right to buy)	04/22/2007	04/22/2013	Common Stock	313	\$ 19.78	D	Â
Stock Option (right to buy)	04/22/2007	07/01/2013	Common Stock	313	\$ 21.23	D	Â
Stock Option (right to buy)	04/22/2007	10/01/2013	Common Stock	313	\$ 19.08	D	Â
Stock Option (right to buy)	04/22/2007	12/31/2013	Common Stock	313	\$ 20.77	D	Â
Stock Option (right to buy)	05/18/2007 ⁽¹⁾	05/18/2014	Common Stock	625	\$ 22.49	D	Â
Stock Option (right to buy)	05/18/2007 ⁽¹⁾	07/01/2014	Common Stock	625	\$ 23.65	D	Â
Stock Option (right to buy)	05/18/2007 ⁽¹⁾	10/01/2014	Common Stock	625	\$ 32.78	D	Â
Stock Option (right to buy)	05/18/2007 ⁽¹⁾	12/31/2014	Common Stock	625	\$ 39.98	D	Â
Stock Option (right to buy)	04/19/2007 ⁽²⁾	04/19/2015	Common Stock	938	\$ 45.77	D	Â
Stock Option (right to buy)	04/19/2007 ⁽²⁾	07/01/2015	Common Stock	938	\$ 53.6	D	Â
Stock Option (right to buy)	04/19/2007 ⁽²⁾	10/03/2015	Common Stock	938	\$ 61.9	D	Â
Stock Option (right to buy)	04/19/2007 ⁽²⁾	12/31/2015	Common Stock	938	\$ 69.38	D	Â
Stock appreciation right	04/27/2007 ⁽³⁾	04/27/2016	Common Stock	1,250	\$ 92.67	D	Â
Stock appreciation right	04/27/2007 ⁽³⁾	07/03/2016	Common Stock	1,250	\$ 83.44	D	Â
Stock appreciation right	04/27/2007 ⁽³⁾	10/02/2006	Common Stock	1,250	\$ 71.87	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Baudoin Mark F 15415 KATY FREEWAY SUITE 100 HOUSTON, TX 77094	Â	Â	Â Senior Vice President	Â

Signatures

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

12/26/2006

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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 vest in two equal annual installments beginning on May 18, 2007.
 - (2) The options vest in three equal annual installments beginning on April 19, 2007.
 - (3) The stock appreciation right vests in four equal annual installments beginning on April 27, 2007.

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Remarks:

EXHIBITÂ LIST

ExhibitÂ 24Â -Â PowerÂ ofÂ Attorney

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.