

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K

ANNUAL REPORT
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One):

☒ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934 [NO FEE REQUIRED, EFFECTIVE OCTOBER 7, 1996].

For the fiscal year ended December 31, 1997

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934 [NO FEE REQUIRED].

For the transition period from _____ to _____

Commission file number 1-13926

A. Full title of the plan and the address of the plan, if
different from that of the issuer named below: DIAMOND OFFSHORE DEFINED
CONTRIBUTION RETIREMENT PLAN

B. Name of issuer of the securities held pursuant to the plan and
the address of its principal executive office:

DIAMOND OFFSHORE DRILLING, INC.
15415 KATY FREEWAY
HOUSTON, TEXAS 77094

REQUIRED INFORMATION

Item 4.

The financial statements and schedules of the Diamond Offshore Defined Contribution Retirement Plan for the fiscal year ended December 31, 1997 (attached).

Exhibits

23.1 Consent of Deloitte & Touche LLP

AUDITED FINANCIAL STATEMENTS AND SCHEDULES

DIAMOND OFFSHORE DEFINED CONTRIBUTION RETIREMENT PLAN

Years ended December 31, 1997 and 1996 and
Supplemental Schedules for Year ended December 31, 1997
with Report of Independent Auditors

DIAMOND OFFSHORE DEFINED CONTRIBUTION RETIREMENT PLAN

Audited Financial Statements and Schedules

Years ended December 31, 1997 and 1996

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INDEPENDENT AUDITORS' REPORT

TO THE PARTICIPANTS AND ADMINISTRATIVE COMMITTEE
OF THE DIAMOND OFFSHORE DEFINED CONTRIBUTION
RETIREMENT PLAN
HOUSTON, TEXAS

We have audited the accompanying statements of net assets available for benefits of the Diamond Offshore Defined Contribution Retirement Plan (the "Plan") as of December 31, 1997 and 1996, and the related statements of changes in net assets available for benefits for each of the three years in the period ended December 31, 1997. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1997 and 1996, and the changes in net assets available for benefits for each of the three years in the period ended December 31, 1997 in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of (1) assets held for investment purposes as of December 31, 1997 and (2) reportable transactions for the year ended December 31, 1997 are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employment Retirement Income Security Act of 1974. These schedules are the responsibility of the Plan's management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic 1997 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

DELOITTE & TOUCHE LLP
May 29, 1998

DIAMOND OFFSHORE DEFINED CONTRIBUTION
RETIREMENT PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	DECEMBER 31,	
	1997	1996
INVESTMENTS AT FAIR VALUE:		
Mutual funds	\$ 47,380,647	\$ 14,989,894
Company stock	1,713,155	--
Short-term investments	--	12,408,858
Total investments	49,093,802	27,398,752
CONTRIBUTIONS RECEIVABLE:		
Employee	589,847	333,432
Employer	1,267,153	639,513
Total contributions receivable	1,857,000	972,945
LOANS TO PARTICIPANTS	2,022,640	--
OTHER ASSETS	6,302	--
NET ASSETS AVAILABLE FOR BENEFITS	\$ 52,979,744	\$ 28,371,697
	=====	=====

SEE NOTES TO FINANCIAL STATEMENTS.

DIAMOND OFFSHORE CONTRIBUTION
RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS

	YEAR ENDED DECEMBER 31,		
	1997	1996	1995
INVESTMENT INCOME:			
Dividends and interest	\$ 2,938,430	\$ 1,944,678	\$ 1,031,711
Net appreciation in fair value of investments	3,659,059	736,638	1,368,590
Total investment income	6,597,489	2,681,316	2,400,301
CONTRIBUTIONS:			
Employee	4,680,340	3,733,432	3,288,331
Employer	6,477,438	2,524,009	2,330,783
Rollover	11,231,765	--	--
Total contributions	22,389,543	6,257,441	5,619,114
Total additions	28,987,032	8,938,757	8,019,415
DEDUCTIONS:			
Benefit payments	(4,362,444)	(2,018,926)	(1,266,340)
Miscellaneous expenditures	(16,541)	--	--
Total deductions	(4,378,985)	(2,018,926)	(1,266,340)
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	24,608,047	6,919,831	6,753,075
NET ASSETS AVAILABLE FOR BENEFITS:			
Beginning of period	28,371,697	21,451,866	14,698,791
End of period	\$ 52,979,744	\$ 28,371,697	\$ 21,451,866
	=====	=====	=====

SEE NOTES TO FINANCIAL STATEMENTS.

DIAMOND OFFSHORE CONTRIBUTION
RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1997 AND 1996

1. ORGANIZATION

The Diamond Offshore Defined Contribution Retirement Plan (the "Plan") was established effective July 1, 1989. Effective January 1, 1997, Diamond Offshore Drilling, Inc. (the "Company") merged the Arethusa Off-Shore Company Profit Sharing Plan ("Arethusa Plan") with and into the Plan. Net assets available for benefits for the Arethusa Plan were \$10,731,913 as of December 31, 1996. In connection with this merger, the Plan changed trustees from The Dreyfus Trust Company ("Dreyfus") to The Scudder Trust Company ("Scudder") effective January 1, 1997. The adoption of the Plan in its entirety is intended to comply with the provisions of Sections 401(a), 401(k) and 401(m) of the Internal Revenue Code (the "IRC") and applicable regulations thereunder. The Plan is intended to qualify as a profit-sharing plan in accordance with the requirement of Section 401(a)(27) of the IRC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING BASIS - The financial statements of the Plan are prepared using the accrual basis of accounting.

INVESTMENTS - Investments are reported in the financial statements at fair value with the exception of the Capital Preservation Fund which represents investments in guaranteed investment contracts and is reported at contract value. Fair value of collective investment funds are based on quoted prices in an active market as determined by Dreyfus. During 1996, the Plan adopted the provisions of Statement of Position 94-4, "Reporting of Investment Contracts Held by Health and Welfare Plans and Defined Contribution Pension Plans" ("SOP 94-4"). According to the provisions of SOP 94-4, the contracts for this Plan have been deemed to be benefit-responsive. As such, the contracts are presented at contract value in the statement of net assets available for benefits at December 31, 1996. The average yield of Capital Preservation Fund in 1996 was 5.64%, and the weighted average crediting interest rate of the contracts was 5.88% at December 31, 1996.

TRUSTEE FEES - Normal recurring trustee fees are paid by the Company, the Plan's sponsor. Fees paid by the Company were \$10,112 and \$38,216 for the years ended December 31, 1997 and 1996, respectively.

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires Plan management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the Plan income and expenses during the reporting period. Actual results could differ from these estimates.

3. DESCRIPTION OF PLAN

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a complete description of the Plan's provisions.

GENERAL - The Plan is a defined contribution retirement plan for U.S.-paid employees of the Company and its subsidiaries. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and the IRC.

ADMINISTRATION - The Plan is administered by an administrative committee appointed by the President of the Company.

PARTICIPANTS - Prior to July 1, 1997, any employee of the Company became a participant of the Plan on the first quarterly entry date (January 1, April 1, July 1 or October 1) following the completion of one year of service. Effective July 1, 1997 an employee of the Company will become a participant of the Plan beginning in the month following the completion of a 90-day service period.

CONTRIBUTIONS - The Company makes a profit sharing contribution equal to 3.75% of the employee's qualified yearly earnings and a matching contribution equal to 25% for every percent the employee contributes up to a maximum of 6%. In 1997 and 1996, Company contributions were made quarterly. In addition, each participant may make voluntary contributions of up to 15% of his or her annual compensation, as defined by the Plan. Employee contributions are made through payroll deductions.

INVESTMENT FUNDS - Effective January 1, 1997, the following investment options are available to plan participants:

Scudder Stable Value Fund: This collective investment trust invests in high-quality instruments, including guaranteed investment contracts, bank investment contracts, money market instruments and synthetic contracts.

Scudder Income Fund: This fund invests primarily in high-grade corporate bonds, convertible bonds and government securities.

Scudder Balanced Fund: This fund invests in common stocks of companies that the Fund's advisor believes offer the potential for above-average growth of earnings, cash flow or assets relative to the overall market.

Scudder Growth & Income Fund: This fund's primary investments are income-producing common and preferred stocks of established companies.

Scudder Stock Index Fund: This collective investment trust invests in common stocks of companies listed in the S&P 500. The trust may invest in all 500 stocks or in other mutual funds that approximately mirror the S&P 500 in their weightings.

MFS Research Fund A: This fund invests in common stocks or securities convertible into common stocks of companies believed to possess better-than-average prospects for long-term growth.

Templeton Foreign Fund I: This fund generally invests in common stock, although it may also invest in preferred stocks and certain debt securities, rated or unrated.

Putnam New Opportunities Fund A: This fund invests primarily in common stocks in the following sectors: personal communications, environmental services, media/entertainment, medical technology/medical cost containment, applied advanced technology, value-oriented consuming and personal finance.

Diamond Offshore Drilling, Inc. Common Stock - This fund invests in the common stock of the Company and reinvests dividends of the Company's stock, if any, into additional shares of the Company.

PARTICIPANT ACCOUNTS - Each participant's account is credited with the Company's and the participant's contributions and an allocation of the Plan's earnings. Allocations are based primarily on account balances at specified dates as provided under the terms of the Plan.

VESTING - Each participant has at all times a fully vested and nonforfeitable interest in their contributions and earnings thereon. Matching contributions made by the Company to participant accounts vest 100% after five years of service.

FORFEITURES - Forfeitures are applied to reduce company contributions to the Plan.

LOANS - Participants may borrow from his or her account up to the lesser of (i) one-half of the vested value of their accounts or (ii) \$50,000.

PAYMENT OF BENEFITS - Upon separation of service, each participant may elect to receive the entire account balance in a lump sum payment. As of December 31, 1997 and 1996, amounts payable to participants who had terminated or withdrawn from the Plan were \$624,336 and \$29,039, respectively.

4. PLAN TERMINATION

Although the Company has not expressed any intent to do so, it has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Upon termination of the Plan by the Company, the trustee will distribute to each participant the amounts credited to his or her account. No amount will revert to the Company in the event of the Plan's termination.

5. FEDERAL INCOME TAXES

The Plan has obtained a favorable tax determination letter from the Internal Revenue Service ("IRS") dated February 25, 1997. It is the opinion of the Plan Administrator that the Plan has met, and continues to meet, all necessary IRS requirements exempting it from federal income taxes; therefore, no provision for income taxes has been made.

DECEMBER 31, 1997	SCUDDER STABLE VALUE FUND	SCUDDER INCOME FUND	SCUDDER BALANCED FUND	SCUDDER GROWTH & INCOME FUND	SCUDDER STOCK INDEX FUND	MFS RESEARCH FUND A	TEMPLETON FOREIGN FUND I
INVESTMENTS:							
Mutual funds	\$15,152,285	\$ 1,089,500	\$ 161,987	\$10,859,687	\$ 412,600	\$ 8,072,838	\$ 2,560,440
Company stock							
Total investments	15,152,285	1,089,500	161,987	10,859,687	412,600	8,072,838	2,560,440
CONTRIBUTIONS RECEIVABLE:							
Employee	146,690	11,204	6,435	131,304	15,397	95,662	34,487
Employer	498,888	20,563	10,312	225,929	23,820	167,618	59,752
Total contributions receivable	645,578	31,767	16,747	357,233	39,217	263,280	94,239
OTHER ASSETS							
LOANS TO PARTICIPANTS							
NET ASSETS AVAILABLE FOR BENEFITS	\$15,797,863	\$ 1,121,267	\$ 178,734	\$11,216,920	\$ 451,817	\$ 8,336,118	\$ 2,654,679

	PUTNAM NEW OPPORTUNITIES FUND A	DIAMOND OFFSHORE DRILLING, INC. COMMON STOCK	CASH FUND	LOAN FUND	TRANSACTIONS PENDING	TOTAL
DECEMBER 31, 1997	-----	-----	-----	-----	-----	-----
INVESTMENTS:						
Mutual funds	\$ 9,071,310					\$47,380,647
Company stock		\$ 1,713,155				1,713,155
	-----	-----	-----	-----	-----	-----
Total investments	9,071,310	1,713,155				49,093,802
	-----	-----	-----	-----	-----	-----
CONTRIBUTIONS RECEIVABLE:						
Employee	124,243				\$ 24,425	589,847
Employer	224,480				35,791	1,267,153
	-----	-----	-----	-----	-----	-----
Total contributions receivable	348,723				60,216	1,857,000
	-----	-----	-----	-----	-----	-----
OTHER ASSETS			\$ 1,981		4,321	6,302
LOANS TO PARTICIPANTS				\$ 2,022,640		2,022,640
	-----	-----	-----	-----	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$ 9,420,033	\$ 1,713,155	\$ 1,981	\$ 2,022,640	\$ 64,537	\$52,979,744
	=====	=====	=====	=====	=====	=====

DECEMBER 31, 1996	CAPITAL PRESERVATION FUND	DREYFUS GENERAL MONEY MARKET	DREYFUS GROWTH AND INCOME FUND	DREYFUS NEW LEADERS	DREYFUS APPRECIATION FUND	PREMIER GLOBAL INVESTING FUND	TOTAL
INVESTMENTS:							
Short-term investments	\$ 9,931,919	\$ 2,476,939					\$12,408,858
Mutual funds			\$ 4,829,817	\$ 4,034,118	\$ 3,896,328	\$ 2,229,631	14,989,894
Total investments	9,931,919	2,476,939	4,829,817	4,034,118	3,896,328	2,229,631	27,398,752
CONTRIBUTIONS RECEIVABLE:							
Employee	94,361	33,676	64,686	64,019	52,349	24,341	333,432
Employer	180,982	64,591	124,066	122,786	100,404	46,684	639,513

Total contributions receivable	275,343	98,267	188,752	186,805	152,753	71,025	972,945
	-----	-----	-----	-----	-----	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$10,207,262	\$ 2,575,206	\$ 5,018,569	\$ 4,220,923	\$ 4,049,081	\$ 2,300,656	\$28,371,697
	=====	=====	=====	=====	=====	=====	=====

FOR THE YEAR ENDED DECEMBER 31, 1997	SCUDDER STABLE VALUE FUND	SCUDDER INCOME FUND	SCUDDER BALANCED FUND	SCUDDER GROWTH & INCOME FUND	SCUDDER STOCK INDEX FUND	MFS RESEARCH FUND A
	-----	-----	-----	-----	-----	-----
INVESTMENT INCOME:						
Dividends and interest	\$ 934,551	\$ 62,559	\$ 8,732	\$ 1,052,153	\$ 1,446	\$ 366,326
Net appreciation (depreciation) in fair value of investments		25,240	7,257	1,326,941	39,651	934,599
	-----	-----	-----	-----	-----	-----
Total investment income	934,551	87,799	15,989	2,379,094	41,097	1,300,925
	-----	-----	-----	-----	-----	-----
CONTRIBUTIONS:						
Employee	1,253,982	111,050	32,638	1,032,458	85,895	776,853
Employer	2,617,625	101,076	29,898	1,090,014	72,358	988,269
Rollover	2,157,282	1,045,372		2,456,201		2,383,960
	-----	-----	-----	-----	-----	-----
Total contributions	6,028,889	1,257,498	62,536	4,578,673	158,253	4,149,082
	-----	-----	-----	-----	-----	-----
Total additions	6,963,440	1,345,297	78,525	6,957,767	199,350	5,450,007
	-----	-----	-----	-----	-----	-----
DEDUCTIONS:						
Benefit payments	(1,781,636)	(249,828)	(745)	(777,078)	(10,828)	(559,679)
Miscellaneous expenditures						
	-----	-----	-----	-----	-----	-----
Total deductions	(1,781,636)	(249,828)	(745)	(777,078)	(10,828)	(559,679)
	-----	-----	-----	-----	-----	-----
INTERFUND TRANSFERS	10,616,059	25,798	100,954	5,036,231	263,295	3,445,790
	-----	-----	-----	-----	-----	-----
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	15,797,863	1,121,267	178,734	11,216,920	451,817	8,336,118
	-----	-----	-----	-----	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS:						
Beginning of period	-----	-----	-----	-----	-----	-----
End of period	\$ 15,797,863	\$ 1,121,267	\$ 178,734	\$ 11,216,920	\$ 451,817	\$ 8,336,118
	=====	=====	=====	=====	=====	=====
FOR THE YEAR ENDED DECEMBER 31, 1997	TEMPLETON FOREIGN FUND I	PUTNAM NEW OPPORTUNITIES FUND A	ZAPATA COMMON STOCK	DIAMOND OFFSHORE DRILLING, INC. COMMON STOCK		
	-----	-----	-----	-----		
INVESTMENT INCOME:						
Dividends and interest	\$ 282,992	\$ 224,197		\$ 3,542		
Net appreciation (depreciation) in fair value of investments	(119,636)	1,315,837	\$ (212,580)	341,750		
	-----	-----	-----	-----		
Total investment income	163,356	1,540,034	(212,580)	345,292		
	-----	-----	-----	-----		
CONTRIBUTIONS:						
Employee	278,040	1,011,275				
Employer	323,704	1,108,551		213		
Rollover		2,383,960	283,584	104,509		
	-----	-----	-----	-----		
Total contributions	601,744	4,503,786	283,584	104,722		
	-----	-----	-----	-----		
Total additions	765,100	6,043,820	71,004	450,014		
	-----	-----	-----	-----		
DEDUCTIONS:						
Benefit payments	(198,120)	(586,872)	(8,655)	(188,697)		
Miscellaneous expenditures				(58)		
	-----	-----	-----	-----		
Total deductions	(198,120)	(586,872)	(8,655)	(188,755)		
INTERFUND TRANSFERS	2,087,699	3,963,085	(62,349)	1,451,896		
	-----	-----	-----	-----		
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	2,654,679	9,420,033		1,713,155		
	-----	-----	-----	-----		
NET ASSETS AVAILABLE FOR BENEFITS:						
Beginning of period	-----	-----	-----	-----		
End of period	\$ 2,654,679	\$ 9,420,033	\$	\$ 1,713,155		
	=====	=====	=====	=====		
FOR THE YEAR ENDED DECEMBER 31, 1997	CASH FUND	LOAN FUND	TRANSACTION PENDING	CAPITAL PRESERVATION FUND		
	-----	-----	-----	-----		

INVESTMENT INCOME:				
Dividends and interest	\$	209	\$	1,723
Net appreciation (depreciation) in fair value of investments				
	-----	-----	-----	-----
Total investment income		209		1,723
	-----	-----	-----	-----
CONTRIBUTIONS:				
Employee			98,149	
Employer			145,730	
Rollover		\$ 416,897		
	-----	-----	-----	-----
Total contributions		416,897	243,879	
	-----	-----	-----	-----
Total additions		209	416,897	245,602
	-----	-----	-----	-----
DEDUCTIONS:				
Benefit payments			(306)	
Miscellaneous expenditures		(16,483)		
	-----	-----	-----	-----
Total deductions		(16,483)	(306)	
	-----	-----	-----	-----
INTERFUND TRANSFERS		1,772	1,622,226	(180,759)
	-----	-----	-----	-----
NET INCREASE (DECREASE)				
IN NET ASSETS AVAILABLE FOR BENEFITS		1,981	2,022,640	64,537
				(10,207,262)
NET ASSETS AVAILABLE FOR BENEFITS:				
Beginning of period				10,207,262
	-----	-----	-----	-----
End of period	\$	1,981	\$ 2,022,640	\$ 64,537
	=====	=====	=====	=====

(CONTINUED)

For the Year Ended December 31, 1997 (Continued)	Dreyfus General Money Market	Dreyfus Growth and Income Fund	Dreyfus New Leaders	Dreyfus Appreciation Fund	Premier Global Investing Fund	Total
INVESTMENT INCOME:						
Dividends and interest						\$ 2,938,430
Net appreciation (depreciation) in fair value of investments						3,659,059
	-----	-----	-----	-----	-----	-----
Total investment income						6,597,489
	-----	-----	-----	-----	-----	-----
CONTRIBUTIONS:						
Employee						4,680,340
Employer						6,477,438
Rollover						11,231,765
	-----	-----	-----	-----	-----	-----
Total contributions						22,389,543
	-----	-----	-----	-----	-----	-----
Total additions						28,987,032
	-----	-----	-----	-----	-----	-----
DEDUCTIONS:						
Benefit payments						(4,362,444)
Miscellaneous expenditures						(16,541)
	-----	-----	-----	-----	-----	-----
Total deductions						(4,378,985)
	-----	-----	-----	-----	-----	-----
INTERFUND TRANSFERS	\$(2,575,206)	\$(5,018,569)	\$(4,220,923)	\$(4,049,081)	\$(2,300,656)	
	-----	-----	-----	-----	-----	-----
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	(2,575,206)	(5,018,569)	(4,220,923)	(4,049,081)	(2,300,656)	24,608,047
NET ASSETS AVAILABLE FOR BENEFITS:						
Beginning of period	2,575,206	5,018,569	4,220,923	4,049,081	2,300,656	28,371,697
	-----	-----	-----	-----	-----	-----
End of period	\$ =====	\$ =====	\$ =====	\$ =====	\$ =====	\$52,979,744 =====

7. STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - BY FUND
(Continued)

For the Year Ended December 31, 1996	Capital Preservation Fund	Dreyfus General Money Market	Dreyfus Growth and Income Fund	Dreyfus New Leaders
	-----	-----	-----	-----
INVESTMENT INCOME:				
Dividends and interest	\$ 531,875	\$ 98,530	\$ 689,207	\$ 281,723
Net appreciation (depreciation) in fair value of investments	--	--	(77,148)	215,237
	-----	-----	-----	-----
Total investment income	531,875	98,530	612,059	496,960
	-----	-----	-----	-----
CONTRIBUTIONS:				
Employee	1,160,241	387,889	741,433	629,436
Employer	1,074,004	233,253	408,395	343,692
	-----	-----	-----	-----
Total contributions	2,234,245	621,142	1,149,828	973,128
	-----	-----	-----	-----
Total additions	2,766,120	719,672	1,761,887	1,470,088
	-----	-----	-----	-----
BENEFIT PAYMENTS	(936,234)	(176,449)	(314,812)	(165,752)
	-----	-----	-----	-----
INTERFUND TRANSFERS	(555,151)	201,765	(408,983)	571,025
	-----	-----	-----	-----
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	1,274,735	744,988	1,038,092	1,875,361
NET ASSETS AVAILABLE FOR BENEFITS:				
Beginning of period	8,932,527	1,830,218	3,980,477	2,345,562
	-----	-----	-----	-----
End of period	\$ 10,207,262	\$ 2,575,206	\$ 5,018,569	\$ 4,220,923
	=====	=====	=====	=====

For the Year Ended December 31, 1996	Dreyfus Appreciation Fund	Premier Global Investing Fund	Total
	-----	-----	-----
INVESTMENT INCOME:			
Dividends and interest	\$ 37,717	\$ 305,626	\$ 1,944,678
Net appreciation in fair value of investments	663,996	(65,447)	736,638
	-----	-----	-----
Total investment income	701,713	240,179	2,681,316
	-----	-----	-----
CONTRIBUTIONS:			
Employee	495,960	318,473	3,733,432
Employer	286,054	178,611	2,524,009
	-----	-----	-----
Total contributions	782,014	497,084	6,257,441
	-----	-----	-----
Total additions	1,483,727	737,263	8,938,757
	-----	-----	-----
BENEFIT PAYMENTS	(275,742)	(149,937)	(2,018,926)
	-----	-----	-----
INTERFUND TRANSFERS	454,913	(263,569)	--
	-----	-----	-----
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	1,662,898	323,757	6,919,831
NET ASSETS AVAILABLE FOR BENEFITS:			
Beginning of period	2,386,183	1,976,899	21,451,866
	-----	-----	-----
End of period	\$ 4,049,081	\$ 2,300,656	\$ 28,371,697
	=====	=====	=====

For the Year Ended December 31, 1995	Capital Preservation Fund	Dreyfus General Money Market	Dreyfus Growth and Income Fund	Dreyfus New Leaders
	-----	-----	-----	-----

INVESTMENT INCOME:				
Dividends and interests	\$ 433,214	\$ 78,520	\$ 182,551	\$ 174,298
Net appreciation in fair value of investments	--	--	505,029	275,355
	-----	-----	-----	-----
Total investment income	433,214	78,520	687,580	449,653
	-----	-----	-----	-----
CONTRIBUTIONS:				
Employee	1,122,615	386,378	671,613	422,673
Employer	1,166,530	226,672	351,865	220,925
	-----	-----	-----	-----
Total contributions	2,289,145	613,050	1,023,478	643,598
	-----	-----	-----	-----
Total additions	2,722,359	691,570	1,711,058	1,093,251
	-----	-----	-----	-----
BENEFIT PAYMENTS	(605,367)	(143,142)	(164,271)	(103,799)
	-----	-----	-----	-----
INTERFUND TRANSFERS	31,823	58,461	(76,054)	52,515
	-----	-----	-----	-----
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	2,148,815	606,889	1,470,733	1,041,967
NET ASSETS AVAILABLE FOR BENEFITS:				
Beginning of period	6,783,712	1,223,329	2,509,744	1,303,595
	-----	-----	-----	-----
End of period	\$ 8,932,527	\$ 1,830,218	\$ 3,980,477	\$ 2,345,562
	=====	=====	=====	=====
	Dreyfus	Premier		
	Appreciation	Global		
	Fund	Investing		
For the Year Ended December 31, 1995	-----	-----	Total	-----
INVESTMENT INCOME:				
Dividends and interests	\$ 39,424	\$ 123,704	\$ 1,031,711	
Net appreciation in fair value of investments	510,383	77,823	1,368,590	
	-----	-----	-----	
Total investment income	549,807	201,527	2,400,301	
	-----	-----	-----	
CONTRIBUTIONS:				
Employee	346,076	338,976	3,288,331	
Employer	193,155	171,636	2,330,783	
	-----	-----	-----	
Total contributions	539,231	510,612	5,619,114	
	-----	-----	-----	
Total additions	1,089,038	712,139	8,019,415	
	-----	-----	-----	
BENEFIT PAYMENTS	(112,468)	(137,293)	(1,266,340)	
	-----	-----	-----	
INTERFUND TRANSFERS	158,090	(224,835)	--	
	-----	-----	-----	
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	1,134,660	350,011	6,753,075	
NET ASSETS AVAILABLE FOR BENEFITS:				
Beginning of period	1,251,523	1,626,888	14,698,791	
	-----	-----	-----	
End of period	\$ 2,386,183	\$ 1,976,899	\$ 21,451,866	
	=====	=====	=====	

DIAMOND OFFSHORE CONTRIBUTION
RETIREMENT PLAN

ITEM 27a - SCHEDULE OF ASSETS HELD FOR
INVESTMENT PURPOSES
December 31, 1997

IDENTITY OF ISSUE	DESCRIPTION	PRINCIPAL AMOUNT OR NUMBER OF UNITS OR SHARES	COST	CURRENT VALUE
Scudder Stable Value Fund	Mutual Fund	15,152,284.770	\$ 15,152,285	\$ 15,152,285
Scudder Income Fund	Mutual Fund	80,883.472	1,067,313	1,089,500
Scudder Balanced Fund	Mutual Fund	9,613.499	158,404	161,987
Scudder Growth and Income Fund	Mutual Fund	397,354.095	9,741,977	10,859,687
Scudder Stock Index Fund	Mutual Fund	15,622.864	379,604	412,600
MFS Research Fund A	Mutual Fund	379,184.517	7,317,108	8,072,838
Templeton Foreign Fund I	Mutual Fund	257,330.640	2,718,825	2,560,440
Putnam New Opportunities Fund A	Mutual Fund	186,460.633	7,873,096	9,071,310
Diamond Offshore Drilling, Inc.	Common Stock	35,594.666	1,514,924	1,713,155
Participant Loans	Loans to participants with varying terms		2,022,640	2,022,640
			-----	-----
TOTAL			\$ 47,946,176 =====	\$ 51,116,442 =====

DIAMOND OFFSHORE CONTRIBUTION
RETIREMENT PLAN

ITEM 27d - SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 1997

IDENTITY OF PARTY INVOLVED	DESCRIPTION OF INVESTMENT	PURCHASE PRICE	SELLING PRICE	COST OF ASSET	CURRENT VALUE OF ASSET ON TRANSACTION DATE	NET GAIN (LOSS)
TRANSACTIONS IN EXCESS OF 5% OF PLAN ASSETS AS OF DECEMBER 31, 1996						
SINGLE TRANSACTIONS:						
Dreyfus Trust Company	Capital Preservation Fund		\$10,207,262	\$ 9,931,919	\$10,207,262	\$ 275,343
Dreyfus Trust Company	Dreyfus General Money Market Fund		2,575,206	2,476,939	2,575,206	98,267
Dreyfus Trust Company	Dreyfus Growth & Income Fund		5,018,569	4,649,287	5,018,569	369,282
Dreyfus Trust Company	Dreyfus New Leaders		4,220,923	3,735,818	4,220,923	485,105
Dreyfus Trust Company	Appreciation Fund		4,049,081	2,906,577	4,049,081	1,142,504
Dreyfus Trust Company	Premier Global Investing Fund		2,300,656	2,300,207	2,300,656	449
Scudder Trust Company	Scudder Stable Value Fund	\$14,566,146		14,566,146	14,566,146	
Scudder Trust Company	Scudder Income Fund	1,045,372		1,045,372	1,045,372	
Scudder Trust Company	Scudder Growth & Income Fund	7,286,018		7,286,018	7,286,018	
Scudder Trust Company	MFS Research Fund A	6,280,251		6,280,251	6,280,251	
Scudder Trust Company	Templeton Foreign Fund I	2,229,631		2,229,631	2,229,631	
Scudder Trust Company	Putnam New Opportunities Fund A	6,418,078		6,418,078	6,418,078	
Scudder Trust Company	Zapata Common Stock	283,584		283,584	283,584	
Scudder Trust Company	Diamond Offshore Drilling, Inc. Common Stock	104,509		104,509	104,509	
SERIES TRANSACTIONS:						
Scudder Trust Company	Scudder Stable Value Fund Purchases	34,958,311		34,958,311	34,958,311	
	Sales		19,800,087	19,800,087	19,800,087	
Scudder Trust Company	Scudder Income Fund Purchases	1,666,351		1,666,351	1,666,351	
	Sales		601,504	598,453	601,504	3,051
Scudder Trust Company	Scudder Growth & Income Fund Purchases	11,404,844		11,404,844	11,404,844	
	Sales		1,868,297	1,659,066	1,868,297	209,231
Scudder Trust Company	MFS Research Fund A Purchases	9,140,764		9,140,764	9,140,764	
	Sales		2,002,335	1,823,466	2,002,335	178,869
Scudder Trust Company	Templeton Foreign Fund I Purchases	3,442,134		3,442,134	3,442,134	
	Sales		761,536	722,787	761,536	38,749
Scudder Trust Company	Putnam New Opportunities Fund A Purchases	9,542,500		9,542,500	9,542,500	
	Sales		1,785,813	1,668,190	1,785,813	117,623
Scudder Trust Company	Diamond Offshore Drilling, Inc. Common Stock Purchases	1,881,048		1,881,048	1,881,048	
	Sales		509,588	366,069	509,588	143,519

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Plan Administrator of the Diamond Offshore Defined Contribution Retirement Plan (the "Plan"), which administers the Plan, has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 25th day of June, 1998.

By: /s/ Robert L. Charles
Name: Robert L. Charles
Title: Administrative Committee Member

EXHIBIT INDEX

Exhibit No. - - - - -	Description - - - - -
23.1	Consent of Independent Auditors

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 333-22745 of Diamond Offshore Drilling, Inc. in Form S-8 of our report dated May 29, 1998, appearing in this Annual Report on Form 11-K of Diamond Offshore Defined Contribution Retirement Plan for the year ended December 31, 1997.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
June 25, 1998