

SMITH GARY D
Form 4
August 10, 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 *
SMITH GARY D

(Last) (First) (Middle)
13550 HEMPSTEAD HIGHWAY
(Street)

HOUSTON, TX 77040

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
DRIL-QUIP INC [DRQ]

3. Date of Earliest Transaction (Month/Day/Year)
08/08/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Co-Chairman of the Board

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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	08/08/2006		M	71,665 A \$ 18	72,220	D	
Common Stock	08/08/2006		M	48,821 A \$ 20.61	121,041	D	
Common Stock	08/08/2006		M	10,853 A \$ 14.95	131,894	D	
Common Stock	08/09/2006		M	25,700 A \$ 14.95	157,594	D	
Common Stock	08/08/2006		S	9,165 D \$ 86	148,429	D	

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Common Stock	08/08/2006	S	200	D	\$ 86.01	148,229	D
Common Stock	08/08/2006	S	1,300	D	\$ 86.02	146,929	D
Common Stock	08/08/2006	S	500	D	\$ 86.03	146,429	D
Common Stock	08/08/2006	S	300	D	\$ 86.04	146,129	D
Common Stock	08/08/2006	S	500	D	\$ 86.05	145,629	D
Common Stock	08/08/2006	S	400	D	\$ 86.08	145,299	D
Common Stock	08/08/2006	S	1,400	D	\$ 86.09	143,829	D
Common Stock	08/08/2006	S	6,600	D	\$ 86.1	137,229	D
Common Stock	08/08/2006	S	400	D	\$ 86.11	136,829	D
Common Stock	08/08/2006	S	100	D	\$ 86.12	136,729	D
Common Stock	08/08/2006	S	1,400	D	\$ 86.13	135,329	D
Common Stock	08/08/2006	S	2,800	D	\$ 86.14	132,529	D
Common Stock	08/08/2006	S	1,400	D	\$ 86.15	131,129	D
Common Stock	08/08/2006	S	1,000	D	\$ 86.16	130,129	D
Common Stock	08/08/2006	S	600	D	\$ 86.17	129,529	D
Common Stock	08/08/2006	S	400	D	\$ 86.18	129,129	D
Common Stock	08/08/2006	S	600	D	\$ 86.19	128,529	D
Common Stock	08/08/2006	S	2,700	D	\$ 86.2	125,829	D
Common Stock	08/08/2006	S	600	D	\$ 86.21	125,229	D
Common Stock	08/08/2006	S	200	D	\$ 86.22	125,029	D
	08/08/2006	S	800	D		124,229	D

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Common Stock					\$ 86.23		
Common Stock	08/08/2006	S	700	D	\$ 86.25	123,529	D
Common Stock	08/08/2006	S	1,400	D	\$ 86.26	122,129	D
Common Stock	08/08/2006	S	500	D	\$ 86.27	121,629 ⁽¹⁾	D

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

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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)	\$ 18	08/08/2006		M	71,665	⁽²⁾ 10/28/2011	Common Stock	71,665
Stock Option (right to buy)	\$ 20.61	08/08/2006		M	48,821	⁽³⁾ 10/28/2012	Common Stock	48,821
Stock Option (right to buy)	\$ 14.95	08/08/2006		M	10,853	⁽⁴⁾ 10/28/2013	Common Stock	46,153
Stock Option (right to buy)	\$ 14.95	08/09/2006		M	25,700	⁽⁴⁾ 10/28/2013	Common Stock	35,300

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMITH GARY D 13550 HEMPSTEAD HIGHWAY HOUSTON, TX 77040	X	X	Co-Chairman of the Board	

Signatures

/s/ Gary D.
Smith

08/10/2006

__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) This is the first of six Forms 4 filed by the reporting person to report transactions that occurred on August 8 and August 9, 2006. The six forms should be read together.
 - (2) The stock options became exercisable in increments on the first, second, third and fourth anniversaries of the grant. The grant date was October 28, 2001.
 - (3) The stock options became exercisable in increments on the first, second, third and fourth anniversaries of the grant. The grant date was October 28, 2002.
 - (4) The stock options became exercisable in increments on the first, second, third and fourth anniversaries of the grant. The grant date was October 28, 2003.

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.