

SMITH INTERNATIONAL INC

Form 4

March 27, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(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)

3. Date of Earliest Transaction
(Month/Day/Year)
03/23/2007

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

PO BOX 60068

(Street)

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

HOUSTON, TX 77205

(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	03/23/2007		M		700	A	\$ 28.13	53,588 D
Common Stock	03/23/2007		M		13,000	A	\$ 19.41	66,588 D
Common Stock	03/23/2007		M		15,500	A	\$ 17.36	82,088 D
Common Stock	03/23/2007		S		400	D	\$ 47.91	81,688 D
Common Stock	03/23/2007		S		18,500	D	\$ 47.9	63,188 D

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Common Stock	03/23/2007	S	4,600	D	\$ 47.89	58,588	D
Common Stock	03/23/2007	S	4,700	D	\$ 47.88	53,888	D
Common Stock	03/23/2007	S	1,000	D	\$ 47.87	52,888	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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 28.13	03/23/2007		M	700	<u>(1)</u> 12/07/2014	Common Stock 700
Employee Stock Option (right to buy)	\$ 19.41	03/23/2007		M	13,000	12/02/2006 12/02/2013	Common Stock 13,000
Employee Stock Option (right to buy)	\$ 17.36	03/23/2007		M	15,500	12/03/2006 12/03/2012	Common Stock 15,500

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

03/27/2007

 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).
- (1) The option vested in equal installments on Dec. 7, 2005 and Dec. 7, 2006.

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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