

SMITH GARY D  
Form 4  
December 15, 2006

**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

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(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)

12/13/2006

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                    | 12/13/2006                           |                                                    | S                              |                                                                   | 4,700  | D \$ 42.5        | 4,129,200                                                                                     | I                                                        | See footnote (1)                                      |
| Common Stock                    | 12/13/2006                           |                                                    | S                              |                                                                   | 5,000  | D \$ 42.51       | 4,124,200                                                                                     | I                                                        | See footnote (1)                                      |
| Common Stock                    | 12/13/2006                           |                                                    | S                              |                                                                   | 600    | D \$ 42.52       | 4,123,600                                                                                     | I                                                        | See footnote (1)                                      |
| Common Stock                    | 12/13/2006                           |                                                    | S                              |                                                                   | 600    | D \$ 42.54       | 4,123,000                                                                                     | I                                                        | See footnote                                          |

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|              |            |   |       |   |          |           |   |                         |
|--------------|------------|---|-------|---|----------|-----------|---|-------------------------|
|              |            |   |       |   |          |           |   | <u>(1)</u>              |
| Common Stock | 12/13/2006 | S | 1,500 | D | \$ 42.54 | 4,121,500 | I | See footnote <u>(1)</u> |
| Common Stock | 12/13/2006 | S | 800   | D | \$ 42.55 | 4,120,700 | I | See footnote <u>(1)</u> |
| Common Stock | 12/13/2006 | S | 1,100 | D | \$ 42.56 | 4,119,600 | I | See footnote <u>(1)</u> |
| Common Stock | 12/13/2006 | S | 500   | D | \$ 42.57 | 4,119,100 | I | See footnote <u>(1)</u> |
| Common Stock | 12/13/2006 | S | 2,200 | D | \$ 42.58 | 4,116,900 | I | See footnote <u>(1)</u> |
| Common Stock | 12/13/2006 | S | 900   | D | \$ 42.59 | 4,116,000 | I | See footnote <u>(1)</u> |
| Common Stock | 12/13/2006 | S | 2,900 | D | \$ 42.6  | 4,113,100 | I | See footnote <u>(1)</u> |
| Common Stock | 12/13/2006 | S | 2,800 | D | \$ 42.61 | 4,110,300 | I | See footnote <u>(1)</u> |
| Common Stock | 12/13/2006 | S | 1,000 | D | \$ 42.62 | 4,109,300 | I | See footnote <u>(1)</u> |
| Common Stock | 12/13/2006 | S | 1,300 | D | \$ 42.63 | 4,108,000 | I | See footnote <u>(1)</u> |
| Common Stock | 12/13/2006 | S | 1,600 | D | \$ 42.64 | 4,106,400 | I | See footnote <u>(1)</u> |
| Common Stock | 12/13/2006 | S | 200   | D | \$ 42.65 | 4,106,200 | I | See footnote <u>(1)</u> |
| Common Stock | 12/13/2006 | S | 500   | D | \$ 42.66 | 4,105,700 | I | See footnote <u>(1)</u> |
| Common Stock | 12/13/2006 | S | 500   | D | \$ 42.67 | 4,105,200 | I | See footnote <u>(1)</u> |

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|              |            |   |       |   |          |           |   |                  |
|--------------|------------|---|-------|---|----------|-----------|---|------------------|
| Common Stock | 12/13/2006 | S | 300   | D | \$ 42.68 | 4,104,900 | I | See footnote (1) |
| Common Stock | 12/13/2006 | S | 1,800 | D | \$ 42.69 | 4,103,100 | I | See footnote (1) |
| Common Stock | 12/13/2006 | S | 1,600 | D | \$ 42.7  | 4,101,500 | I | See footnote (1) |
| Common Stock | 12/13/2006 | S | 1,600 | D | \$ 42.71 | 4,099,900 | I | See footnote (1) |
| Common Stock | 12/13/2006 | S | 700   | D | \$ 42.72 | 4,099,200 | I | See footnote (1) |
| Common Stock | 12/13/2006 | S | 400   | D | \$ 42.75 | 4,098,800 | I | See footnote (1) |
| Common Stock |            |   |       |   |          | 1,110     | 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. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 6) |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------------------------------------------------|
|                                            |                                                        |                                      |                                                    | Code                           | V (A) (D)                                                                               | Date Exercisable                                         | Expiration Date                                               | Title                                      | Amount or Number of Shares                                                                      |

## Reporting Owners

| Reporting Owner Name / Address                                     | Relationships |           |                          |       |
|--------------------------------------------------------------------|---------------|-----------|--------------------------|-------|
|                                                                    | Director      | 10% Owner | Officer                  | Other |
| SMITH GARY D<br>13550 HEMPSTEAD HIGHWAY<br>HOUSTON, TX 77040       | X             | X         | Co-Chairman of the Board |       |
| Four Smiths CO LTD<br>13550 HEMPSTEAD HIGHWAY<br>HOUSTON, TX 77040 |               | X         |                          |       |

## Signatures

/s/ Gary D. Smith 12/15/2006

\_\_\_\_Signature of Reporting Person Date

/s/ Gary D. Smith, Co-Managing General Partner, Four Smiths' Company, Ltd. 12/15/2006

\_\_\_\_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).

The shares of Common Stock sold were owned and sold directly by Four Smiths' Company, Ltd., and indirectly by Gary D. Smith as  
(1) co-managing general partner of Four Smiths' Company, Ltd. The remaining shares of Common Stock are owned by Four Smiths' Company, Ltd. Mr. Smith disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.

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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