

TODCO
Form 4
July 13, 2007

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 *
Cunningham Ronald J

(Last) (First) (Middle)
2000 W. SAM HOUSTON
PARKWAY S., SUITE 800
(Street)

HOUSTON, TX 77042

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
TODCO [THE]

3. Date of Earliest Transaction
(Month/Day/Year)
07/11/2007

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)
V.P. - Engineering

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 | 07/11/2007 | | A ⁽¹⁾ | 4,500 A \$ 0 ⁽¹⁾ | 19,500 | D | |
| Common Stock | 07/11/2007 | | F | 4,066 D \$ 48.46 | 15,434 | D | |
| Common Stock | 07/11/2007 | | D ⁽²⁾ | 15,434 D <u>(2)</u> 0 | 0 | D | |
| Common Stock | 07/11/2007 | | D ⁽²⁾ | 15 D <u>(2)</u> 0 | 0 | I | See footnote <u>(3)</u> |

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

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.

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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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option | \$ 35.37 | 07/11/2007 | | D | 11,250 | ⁽⁴⁾ 02/26/2017 | Common Stock | 11,250 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Cunningham Ronald J 2000 W. SAM HOUSTON PARKWAY S. SUITE 800 HOUSTON, TX 77042 | | | V.P. - Engineering | |

Signatures

/s/ Michael P. Donaldson, Attorney-in-Fact for Ronald J. Cunningham 07/13/2007

__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) Pursuant to the terms of the award letters and the Amended and Restated Agreement and Plan of Merger, effective as of March 18, 2007 (the "Merger Agreement"), by and among Hercules Offshore, Inc. ("Hercules"), THE Hercules Offshore Drilling Company LLC, a wholly owned subsidiary of Hercules, and the Issuer, each deferred performance unit was converted into .5 shares of the Issuer's common stock.
- (2) Pursuant to the terms of the Merger Agreement, each share of Issuer common stock was disposed of for approximately \$48.46 in cash, 1.4616 shares of Hercules common stock or a combination of both, in each case having an implied value of approximately \$48.46 based upon the average closing sales price for Hercules common stock during the ten consecutive trading day period ending on the fifth calendar day before the closing of the merger.
- (3) The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of the securities for Section 16 or for any other purpose. The reporting person's adult son, who

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resides in the reporting person's household, held these securities.

- Pursuant to the terms of the Merger Agreement, this option was assumed by Hercules and replaced with an option to purchase shares of
- (4) Hercules common stock with corresponding adjustments to the number of shares and exercise price based upon the merger exchange ratio of 1.4616.

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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