

CABOT CORP
Form 4
December 21, 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 *
SPO ADVISORY CORP

(Last) (First) (Middle)

591 REDWOOD HIGHWAY,
SUITE 3215,

(Street)

MILL VALLEY, CA 94941

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CABOT CORP [CBT]

3. Date of Earliest Transaction
(Month/Day/Year)
12/19/2007

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)

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) Price | | | |
| Common Stock | 12/20/2007 | | P | 3,600 A \$ 33 | 9,377,177 | I <u>(1)</u> <u>(2)</u> <u>(3)</u> | See footnotes |
| Common Stock | 12/20/2007 | | P | 1,100 A \$ 33.01 | 9,378,277 | I | See footnotes |
| Common Stock | 12/20/2007 | | P | 1,400 A \$ 33.02 | 9,379,677 | I | See footnotes |
| Common Stock | 12/20/2007 | | P | 400 A \$ 33.03 | 9,380,077 | I | See footnotes |
| Common Stock | 12/20/2007 | | P | 1,100 A \$ 33.04 | 9,381,177 | I | See footnotes |

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| | | | | | | | | |
|--------------|------------|---|--------|---|----------|-----------|---|---------------|
| Common Stock | 12/20/2007 | P | 1,300 | A | \$ 33.05 | 9,382,477 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 1,500 | A | \$ 33.06 | 9,383,977 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 1,900 | A | \$ 33.07 | 9,385,877 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 1,800 | A | \$ 33.08 | 9,387,677 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 2,700 | A | \$ 33.09 | 9,390,377 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 25,900 | A | \$ 33.1 | 9,416,277 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 1,423 | A | \$ 33.11 | 9,417,700 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 2,000 | A | \$ 33.12 | 9,419,700 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 1,100 | A | \$ 33.13 | 9,420,800 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 2,000 | A | \$ 33.14 | 9,422,800 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 2,500 | A | \$ 33.15 | 9,425,300 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 1,800 | A | \$ 33.16 | 9,427,100 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 1,800 | A | \$ 33.17 | 9,428,900 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 1,700 | A | \$ 33.18 | 9,430,600 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 1,100 | A | \$ 33.19 | 9,431,700 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 1,500 | A | \$ 33.2 | 9,433,200 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 800 | A | \$ 33.21 | 9,434,000 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 1,100 | A | \$ 33.22 | 9,435,100 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 600 | A | \$ 33.23 | 9,435,700 | I | See footnotes |
| Common Stock | 12/20/2007 | P | 1,300 | A | \$ 33.24 | 9,437,000 | I | See footnotes |
| | 12/20/2007 | P | 1,100 | A | | 9,438,100 | I | |

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| | | | | | | | | | |
|--------------|------------|--|---|-------|----------|----------|-----------|---|---------------|
| Common Stock | | | | | \$ 33.25 | | | | See footnotes |
| Common Stock | 12/20/2007 | | P | 900 | A | \$ 33.26 | 9,439,000 | I | See footnotes |
| Common Stock | 12/20/2007 | | P | 200 | A | \$ 33.27 | 9,439,200 | I | See footnotes |
| Common Stock | 12/20/2007 | | P | 1,300 | A | \$ 33.28 | 9,440,500 | I | See footnotes |
| Common Stock | 12/20/2007 | | P | 1,000 | A | \$ 33.29 | 9,441,500 | I | See footnotes |

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.

SEC 1474
(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 Owned Beneficially (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | 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 |
| SPO ADVISORY CORP 591 REDWOOD HIGHWAY, SUITE 3215 MILL VALLEY, CA 94941 | | X | | |
| SPO ADVISORY PARTNERS LP 591 REDWOOD HIGHWAY, SUITE 3215 MILL VALLEY, CA 94941 | | X | | |
| | | X | | |

SPO PARTNERS II LP
 591 REDWOOD HIGHWAY, SUITE 3215
 MILL VALLEY, CA 94941

Elizabeth R. & William J. Patterson Foundation
 591 REDWOOD HIGHWAY
 SUITE 3215
 MILL VALLEY, CA 94941

X

SCULLY JOHN H
 591 REDWOOD HIGHWAY, SUITE 3215
 MILL VALLEY, CA 94941

X

OBERNDORF WILLIAM E
 591 REDWOOD HIGHWAY, SUITE 3215
 MILL VALLEY, CA 94941

X

PATTERSON WILLIAM J
 591 REDWOOD HIGHWAY, SUITE 3215
 MILL VALLEY, CA 94941

X

Signatures

Kim M. Silva,
 Attorney-in-Fact 12/21/2007

__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 entities directly acquiring the shares reported on this form are SPO Partners II, L.P. ("SPO Partners"), which bought 169,800 shares, and the Elizabeth R. & William J. Patterson Foundation ("WJPFND"), which bought 2,600 shares.

(2) Due to the purchases causing this filing and related filings today, 9,030,000 shares are owned directly by SPO Partners, and may be deemed to be indirectly beneficially owned by (i) SPO Advisory Partners, L.P. ("SPO Advisory"), the sole general partner of SPO Partners, (ii) SPO Advisory Corp. ("SPO Corp."), the sole general partner of SPO Advisory, and (iii) John H. Scully ("JHS"), William E. Oberndorf ("WEO") and William J. Patterson ("WJP"), the three controlling persons of SPO Corp. 415,600 shares are owned directly by San Francisco Partners, L.P. ("SF Partners"), and may be deemed to be indirectly beneficially owned by (i) SF Advisory Partners, L.P. ("SF Advisory"), the sole general partner of SF Partners, (ii) SPO Corp., the sole general partner of SF Advisory, and (iii) JHS, WEO and WJP, the three controlling persons of SPO Corp. These shares are represented in the running total in Column 5 above, which does not include 7,600 shares held by WJPFND.

(3) Additionally, (i) 333,650 shares of the issuer's common stock may be deemed to be indirectly beneficially owned by WEO solely in his capacity as a trustee for the William and Susan Oberndorf Trust, dated 10/15/98 ("Oberndorf Trust"), (ii) 100,000 shares may be deemed to be indirectly beneficially owned by WEO solely in his capacity as general partner of Oberndorf Family Partners, a California limited partnership, (iii) WEO owns 109,000 shares in his IRA, which is self-directed, and (iv) 10,000 shares may be deemed to be indirectly beneficially owned by WEO solely in his capacity as trustee for the accounts of his two children, Peter C. Oberndorf & William Ernst Oberndorf.

Remarks:

Form 3 of 4.

The persons listed in Note (1) and Note (2) above (each a "Reporting Person") may be deemed to form a "group", as such term
 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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