

Rivers Christopher I.S.
Form 4
August 31, 2010

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 *
Rivers Christopher I.S.

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)
PO BOX 60068
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/27/2010

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

HOUSTON, TX 77205

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

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

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Price | | | |
| | | | Code V | Amount (D) | Price (1) | | |
| Common Stock | 08/27/2010 | | D | 85,907 D | \$ 0 (1) 0 | D | |
| Common Stock | 08/27/2010 | | D | 7,150 D | \$ 0 (1) 0 | I | By 401(k) Plan |

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

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SEC 1474 (9-02)

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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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Employee Stock Option (right to buy) | \$ 28.13 (2) | 08/27/2010 | | D | 9,600 (2) | (2) 12/07/2014 | Common Stock 9,600 (2) |
| Employee Stock Option (right to buy) | \$ 19.41 (3) | 08/27/2010 | | D | 18,000 (3) | (3) 12/22/2013 | Common Stock 18,000 (3) |
| Employee Stock Option (right to buy) | \$ 17.36 (4) | 08/27/2010 | | D | 16,500 (4) | (4) 12/03/2012 | Common Stock 16,500 (4) |
| Employee Stock Option (right to buy) | \$ 11.75 (5) | 08/27/2010 | | D | 11,560 (5) | (5) 12/04/2011 | Common Stock 11,560 (5) |
| Employee Stock Option (right to buy) | \$ 15.38 (6) | 08/27/2010 | | D | 4,680 (6) | 12/05/2004 12/05/2010 | Common Stock 4,680 (6) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Rivers Christopher I.S. PO BOX 60068 HOUSTON, TX 77205 | | | President & CEO M-I SWACO | |

Signatures

/s/ Cay D. Price,
Atty-in-Fact

08/30/2010

__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) Disposed of pursuant to the Agreement and Plan of Merger dated as of February 21, 2010, by and among Schlumberger Limited ("Schlumberger"), Turnberry Merger Sub Inc., and Smith International, Inc. ("Smith"), in exchange for .6966 shares of Schlumberger common stock per share of Smith common stock on August 27, 2010. Any fractional share will be paid in cash.
- (2) This option, which provided for vesting in equal installments on Dec. 7, 2005, Dec. 7, 2006, Dec. 7, 2007 and Dec. 7, 2008, was converted pursuant to the Merger Agreement into an option to purchase 6,687 shares of Schlumberger common stock at \$40.39 per share, with the same terms and conditions as the original Smith option.
- (3) This option, which provided for vesting in equal installments on Dec. 2, 2004, Dec. 2, 2005, Dec. 2, 2006 and Dec. 2, 2007, was converted pursuant to the Merger Agreement into an option to purchase 12,538 shares of Schlumberger common stock at \$27.87 per share, with the same terms and conditions as the original Smith option.
- (4) This option, which provided for vesting in equal installments on Dec. 3, 2004, Dec. 3, 2005, and Dec. 3, 2006, was converted pursuant to the Merger Agreement into an option to purchase 11,493 shares of Schlumberger common stock at \$24.93 per share, with the same terms and conditions as the original Smith option.
- (5) This option, which provided for vesting in equal installments on Dec. 4, 2004 and Dec. 4, 2005, was converted pursuant to the Merger Agreement into an option to purchase 8,052 shares of Schlumberger common stock at \$16.87 per share, with the same terms and conditions as the original Smith option.
- (6) This option was converted pursuant to the Merger Agreement into an option to purchase 3,260 shares of Schlumberger common stock at \$22.08 per share, with the same terms and conditions as the original Smith option.

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.