

DRIL-QUIP INC  
Form 4  
November 21, 2006

**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 \*  
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)  
11/20/2006

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D) Code V Amount Price                                    |   |  |                                   |
| Common Stock                    | 11/20/2006                           |  | S                              | 9,506 D \$ 40.5   | 5,597,334   | I  | See footnote (1)                  |
| Common Stock                    | 11/20/2006                           |  | S                              | 8,694 D \$ 40.51  | 5,588,640   | I  | See footnote (1)                  |
| Common Stock                    | 11/20/2006                           |  | S                              | 9,800 D \$ 40.52  | 5,578,840   | I  | See footnote (1)                  |
| Common Stock                    | 11/20/2006                           |  | S                              | 6,966 D \$ 40.53  | 5,571,874   | I  | See footnote                      |

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|              |            |   |       |   |          |           |   |  | <u>(1)</u>              |
|--------------|------------|---|-------|---|----------|-----------|---|--|-------------------------|
| Common Stock | 11/20/2006 | S | 9,000 | D | \$ 40.54 | 5,562,874 | I |  | See footnote <u>(1)</u> |
| Common Stock | 11/20/2006 | S | 7,434 | D | \$ 40.55 | 5,555,440 | I |  | See footnote <u>(1)</u> |
| Common Stock | 11/20/2006 | S | 3,900 | D | \$ 40.56 | 5,551,540 | I |  | See footnote <u>(1)</u> |
| Common Stock | 11/20/2006 | S | 2,700 | D | \$ 40.57 | 5,548,840 | I |  | See footnote <u>(1)</u> |
| Common Stock | 11/20/2006 | S | 3,400 | D | \$ 40.58 | 5,545,440 | I |  | See footnote <u>(1)</u> |
| Common Stock | 11/20/2006 | S | 2,300 | D | \$ 40.59 | 5,543,140 | I |  | See footnote <u>(1)</u> |
| Common Stock | 11/20/2006 | S | 1,900 | D | \$ 40.6  | 5,541,240 | I |  | See footnote <u>(1)</u> |
| Common Stock | 11/20/2006 | S | 1,100 | D | \$ 40.61 | 5,540,140 | I |  | See footnote <u>(1)</u> |
| Common Stock | 11/20/2006 | S | 1,400 | D | \$ 40.62 | 5,538,740 | I |  | See footnote <u>(1)</u> |
| Common Stock | 11/20/2006 | S | 400   | D | \$ 40.63 | 5,538,340 | I |  | See footnote <u>(1)</u> |
| Common Stock | 11/20/2006 | S | 200   | D | \$ 40.64 | 5,538,140 | I |  | See footnote <u>(1)</u> |
| Common Stock | 11/20/2006 | S | 300   | D | \$ 40.65 | 5,537,840 | I |  | See footnote <u>(1)</u> |
| Common Stock | 11/20/2006 | S | 700   | D | \$ 40.65 | 5,537,140 | I |  | See footnote <u>(1)</u> |
| Common Stock | 11/20/2006 | S | 300   | D | \$ 40.66 | 5,536,840 | I |  | See footnote <u>(1)</u> |

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|              |            |  |   |       |   |          |                          |   |                  |
|--------------|------------|--|---|-------|---|----------|--------------------------|---|------------------|
| Common Stock | 11/20/2006 |  | S | 100   | D | \$ 40.67 | 5,536,740                | I | See footnote (1) |
| Common Stock | 11/20/2006 |  | S | 2,900 | D | \$ 40.75 | 5,533,840                | I | See footnote (1) |
| Common Stock | 11/20/2006 |  | S | 1,200 | D | \$ 40.76 | 5,532,640                | I | See footnote (1) |
| Common Stock | 11/20/2006 |  | S | 1,589 | D | \$ 40.77 | 5,531,051                | I | See footnote (1) |
| Common Stock | 11/20/2006 |  | S | 1,300 | D | \$ 40.78 | 5,529,751                | I | See footnote (1) |
| Common Stock | 11/20/2006 |  | S | 900   | D | \$ 40.8  | 5,528,851                | I | See footnote (1) |
| Common Stock | 11/20/2006 |  | S | 600   | D | \$ 40.81 | 5,528,251                | I | See footnote (1) |
| Common Stock | 11/20/2006 |  | S | 700   | D | \$ 40.82 | 5,527,551                | I | See footnote (1) |
| Common Stock | 11/20/2006 |  | S | 1,311 | D | \$ 40.83 | 5,526,240                | I | See footnote (1) |
| Common Stock | 11/20/2006 |  | S | 1,500 | D | \$ 40.84 | 5,524,740                | I | See footnote (1) |
| Common Stock | 11/20/2006 |  | S | 1,700 | D | \$ 40.85 | 5,523,040 <sup>(2)</sup> | I | See footnote (1) |

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 | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying | 8. Price of Derivative Security | 9. Number of Derivative Securities |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|--------------|--|-----------------------------------|---------------------------------|------------------------------------|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|--------------|--|-----------------------------------|---------------------------------|------------------------------------|

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| (Instr. 3) | Price of<br>Derivative<br>Security | (Month/Day/Year) | (Instr. 8) | Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3,<br>4, and 5) | Securities<br>(Instr. 3 and 4) | (Instr. 5) | Beneficial<br>Ownership<br>Following<br>Reported<br>Transaction<br>(Instr. 5) |
|------------|------------------------------------|------------------|------------|---|--------------------------------|------------|---|
| Code       | V                                  | (A)              | (D)        | Date<br>Exercisable   | Expiration<br>Date             | Title      | Amount<br>or<br>Number<br>of<br>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   | 11/21/2006 |
| **Signature of Reporting Person   | Date       |
| /s/ Gary D. Smith, Co-Managing General Partner, Four Smiths'<br>Company, Ltd. | 11/21/2006 |
| **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.

(2) This is the first of two Forms 4 filed by the reporting person to report transactions that occurred on November 20, 2006. The two forms should be read together.

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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