

TODCO
Form 4
July 13, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
KELLEY MICHAEL L

(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.-Operations

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) Code V Amount (D) Price			
Common Stock	07/11/2007		A ⁽¹⁾	23,200 A \$ 0 ⁽¹⁾	23,200	D	
Common Stock	07/11/2007		F	8,458 D \$ 48.46	14,742	D	
Common Stock	07/11/2007		D ⁽²⁾	14,742 D <u>2</u> 0	0	D	

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

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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) Pursuant to the terms of the Merger Agreement, this option was retired in exchange for the right to receive a cash amount equal to \$48.46, less the per share exercise price multiplied by the number of shares of Issuer common stock subject to such option.

- (4) Pursuant to the terms of the Merger Agreement, this option was assumed by Hercules and replaced with an option to purchase shares of 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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