

WILLIAMS CLAY C
Form 4
March 15, 2005

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 *
WILLIAMS CLAY C

2. Issuer Name and Ticker or Trading Symbol
NATIONAL OILWELL VARCO INC [NOV]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

2000 WEST SAM HOUSTON PARKWAY SOUTH, SUITE 1700

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/11/2005

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Vice President and CFO

HOUSTON, TX 77042

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) Amount (D) Price			
Common Stock	03/11/2005		A	20,023 A <u>11</u> Price	20,023	D	

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

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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) Received in exchange for 23,943 shares of Varco International, Inc. ("Varco") in connection with the merger of Varco with and into the Issuer (the "Merger") based on the Merger Exchange Ratio. At the Effective Time of the Merger, the closing price of Varco's common stock was \$40.60 per share and the closing price of the Issuer's common stock was \$48.85 per share.
- (2) Received in the Merger in exchange for options to acquire 25,900 shares of Varco common stock with an exercise price of \$14.00 per share, based on the Merger Exchange Ratio.
- (3) Received in the Merger in exchange for options to acquire 44,700 shares of Varco common stock with an exercise price of \$16.78 per share, based on the Merger Exchange Ratio.
- (4) Received in the Merger in exchange for options to acquire 34,300 shares of Varco common stock with an exercise price of \$21.88 per share, based on the Merger Exchange Ratio.
- (5) Received in the Merger in exchange for options to acquire 31,500 shares of Varco common stock with an exercise price of \$30.39 per share, based on the Merger Exchange Ratio.
- (6) Options vest in three (3) equal annual installments commencing on the date indicated.
- (7) Converts on a 1-for-1 basis.
- (8) The Phantom Stock is payable in cash or common stock following termination of the reporting person's employment with the Issuer; subject to earlier withdrawal or transfer in accordance with the terms of the Issuer's Deferred Compensation Plan.
- (9) The phantom stock was assumed by NOV in the merger in exchange for 21 shares of phantom stock of Varco pursuant to the Exchange Ratio applicable to the merger.

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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