BLUE NILE INC Form 4 July 25, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB APPROVAL

OMB 3235-0287 Number:

January 31, Expires: 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

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 may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address IRVINE DIANE	of Reporting Person * M	2. Issuer Name and Ticker or Trading Symbol BLUE NILE INC [NILE]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last) (l	First) (Middle)	3. Date of Earliest Transaction	(Choose an applicable)		
		(Month/Day/Year)	_X_ Director 10% Owner		
C/O BLUE NILE, INC., 705 FIFTH AVENUE S, STE 900		07/21/2006	X Officer (give title Other (specify below) below) Chief Financial Officer		
(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
SEATTLE, WAS	98104	Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Tab	le I - Non-	Derivative Securities Acqu	ired, Disposed of,	or Beneficial	ly 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) our Disposed of (D) (Instr. 3, 4 and 5) (A) or Amount (D) Price	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)
Common Stock (1)	07/21/2006		S <u>(1)</u>	600 (1) D \$ 28.4689	195,788	D	
Common Stock					1,160	I	By Son
Common Stock					1,160	I	By Daughter
Common Stock					1,160	I	By Daughter

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

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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	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	cisable and	7. Title	and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transactio	onNumber	Expiration D	ate	Amoun	t of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Underly	ying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securit	ies	(Instr. 5)	Bene
	Derivative				Securities			(Instr. 3	3 and 4)		Owne
	Security				Acquired						Follo
	-				(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									Amount		
						Date Expirati Exercisable Date	Expiration	n or Title Numbe of			
							Date				
				C-J- V	(A) (D)						
				Coue v	(A) (D)			7	Shares		

Reporting Owners

	Relationships
Reporting Owner Name / Address	

Director 10% Owner Officer Other

IRVINE DIANE M C/O BLUE NILE, INC. 705 FIFTH AVENUE S, STE 900 SEATTLE, WA 98104

X

Chief Financial Officer

Signatures

/s/ Diane M. 07/25/2006 Irvine

**Signature of Date Reporting Person

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) This sale was affected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person.

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.

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