STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

BLUE NILE INC

Form 4

November 22, 2006

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

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

SECURITIES Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section

may continue. See Instruction

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading **GASTON DWIGHT** Issuer Symbol BLUE NILE INC [NILE] (Check all applicable) (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) Director 10% Owner X_ Officer (give title Other (specify C/O BLUE NILE, INC., 705 FIFTH 11/20/2006 below) below) **AVENUE S. STE 900** Senior VP (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting SEATTLE WA 09104

SEATTLE,	, WA 98104		Person							
(City)	(State)	(Zip) Tab	le I - Non-	Derivative Securities Acqui	red, Disposed of,	or Beneficial	ly Owned			
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securities Acquired (A)	5. Amount of	6.	7. Nature of			
Security	(Month/Day/Year)	Execution Date, if	Transacti	omr Disposed of (D)	Securities	Ownership	Indirect			
(Instr. 3)		any	Code	(Instr. 3, 4 and 5)	Beneficially	Form:	Beneficial			
		(Month/Day/Year)	(Instr. 8)		Owned	Direct (D)	Ownership			
					Following	or Indirect	(Instr. 4)			
				(4)	Reported	(I)				
				(A)	Transaction(s)	(Instr. 4)				

Code V Amount (D) Price Common \$ 11/20/2006 S 3,000 D 13,800 D Stock 36.2228

Common 2,691 I By Wife Stock

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

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(Instr. 3 and 4)

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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	2.	3. Transaction Date		4.	5.	6. Date Exerc		7. Title		8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transacti	orNumber	Expiration D	ate	Amou	nt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Under	lying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securi	ties	(Instr. 5)	Bene
	Derivative				Securities			(Instr.	3 and 4)		Own
	Security				Acquired						Follo
					(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									Amount		
						Date	Expiration		or		
						Exercisable	•	Title Number of	Number		
						Exercisable			of		
				Code V	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

GASTON DWIGHT C/O BLUE NILE, INC. 705 FIFTH AVENUE S, STE 900 SEATTLE, WA 98104

Senior VP

Signatures

/s/ Dwight Gaston 11/22/2006

**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).

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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