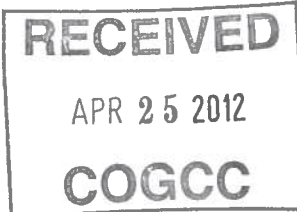


DIAMOND OPERATING, INC.
6666 Gunpark Drive, Suite 200
Boulder, CO 80301



Phone: 303-494-4420

Fax: 303-494-3931

April 23, 2012

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203
Attn: John Axelson

Re: Walters lease [Facility #: 102634]
Section 21-T2N-R49W
Washington County, CO

Dear John:

Earlier this spring we removed some impacted soil from an old abandoned skim pit located at the tank battery at the referenced facility. We set aside the impacted soil on location and sampled this soil per your instructions. We also took a soil sample from the base of the excavated pit (after the soil had been removed).

Enclosed are two Form 27s. One form is requesting permission to close the skim pit. The second form is requesting permission to landfarm and bioremediate the soil that was previously removed from the pit.

Please let us know if you need any additional information.

Sincerely,

DIAMOND OPERATING, INC.

A handwritten signature in blue ink, appearing to read "David C. Peterson", written over a horizontal line.

David C. Peterson, President

DCP/las
Enclosures