



DIVISION OF  
CORPORATION FINANCE

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

June 10, 2010

Mr. Gary T. Krenek  
Chief Financial Officer and Senior Vice President  
Diamond Offshore Drilling, Inc.  
15415 Katy Freeway  
Houston, TX 77094

**Re: Diamond Offshore Drilling, Inc.  
Form 10-K for the Fiscal Year Ended December 31, 2009  
Filed February 23, 2010  
Schedule 14A  
Filed March 31, 2010  
Response Letter Dated May 20, 2010  
File No. 1-13926**

Dear Mr. Krenek:

We have reviewed your filing and have the following comments. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter within ten business days by amending your filing, by providing the requested information, or by advising us when you will provide the requested response. If you do not believe our comments apply to your facts and circumstances or do not believe an amendment is appropriate, please tell us why in your response.

After reviewing any amendment to your filing and the information you provide in response to these comments, we may have additional comments.

Risk Factors

Our business involves numerous operating hazards.... page 11.

1. We note your response to our prior comment 2. Please provide supplementally, with a view toward possible future disclosure, the dollar limit on your liability insurance policy for pollution and environmental risks.

Mr. Gary T. Krenek  
Diamond Offshore Drilling, Inc.  
June 10, 2010  
Page 2

Schedule 14A

General

2. We note that you have not included any disclosure in response to Item 402(s) of Regulation S-K. Please advise us of the basis for your conclusion that disclosure is not necessary and describe the process you undertook to reach that conclusion.

Director Compensation, page 11

3. We note that the Chairman of the Board receives a significantly higher number of SARs in accordance with the terms of your stock option plan. Please state the reason you have decided to give Mr. Tisch 15 times the number of SARs your directors receive. See Item 402(k)(3) of Regulation S-K.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes the information the Securities Exchange Act of 1934 and all applicable Exchange Act rules require. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

Please contact Douglas Brown at (202) 551-3265 or, me at (202) 551-3611 with any other questions.

Sincerely,

Anne Nguyen Parker  
Branch Chief