

AFFIRMATIVE STATEMENT

As required by Item XII of Form C-108, Layton Enterprises, Inc. has examined available geologic and engineering data and find no evidence of open faults or other hydrologic connection between the injection zone and any underground source of drinking water.

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11784 Exhibit No. 3

Submitted by: Layton Enterprises Inc.

Hearing Date: June 12, 1997