

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the West Hobbs Unit, County of Lea, State of New Mexico, dated January 1, 1998, in form approved on behalf of the Commissioner of Public Lands, State of New Mexico, the undersigned hereby expressly ratifies, approves and adopts said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.

This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 3rd day of December, 1997, but effective for all purposes as of January 1, 1998.

Robert C. Carroll

Robert C. Carroll

Address: 712 North Lea  
Roswell, New Mexico 88201

STATE OF NEW MEXICO     )  
                                      )  
COUNTY OF CHAVES        )

This instrument was acknowledged before me this 3rd day of December 1997, by Robert C. Carroll.

Melvin S. Garcia  
Notary Public

My Commission Expires:

July 1, 1998

NEW MEXICO  
OIL CONSERVATION DIVISION

NAOEL AND  
GUSMAN EXHIBIT 3-D

CASE NO. 11886

HEARING DATE: 12/4/97