

The Leases provide in pertinent part:

If at the expiration of the primary term...lessee has commenced operations for drilling...thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than 180 consecutive days....and, if they result in production of oil or gas so long thereafter as oil or gas is produced from said land.

*Exhibits "A" and "B" at Paragraph 6.*

TMBR/Sharp commenced drilling operations during the primary term, completed a producing well thereafter, and is currently producing oil and gas. *See supra Section II.* There has been no cessation of operations for more than 180 consecutive days. *See supra Section II.*

The Original Stokes Leases provide in Paragraph 5:

"Lessee is granted the right and power, from time to time, to pool or combine this lease, and the land covered by it or any part of the horizon thereof, with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico...Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells.....Any pooled unit designated by Lessee, as provided herein, may be dissolved by Lessee by recording an appropriate instrument in the county where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit."

*See Exhibits "A" and "B" at paragraph 5 (emphasis added).*

The Original Stokes Leases further provide:

"Notwithstanding anything contained hereinabove to the contrary, it is understood and agreed that at the expiration of the primary term, this lease shall terminate as to all lands covered hereby...unless lessee is producing oil, gas, or other hydrocarbons